Exploding The Phone

www.explodingthephone.com

Bibliographic Cover Sheet

db888

Title **FBI File 166-HQ-1765: Alvin Bubis, et al, Portions Concerning Henry Loman, Sec 1**

Date 1966-00-00

Abstract FBI File 166-HQ-1765: Alvin Bubis, et al, portions concerning Henry Loman.

Keywords Alvin Bubis; Henry Loman; 166-HQ-1765; FBI

Notes This is section 1 only; we also have sections 2-8 in db889. We also have a more complete copy of the entire 166-HQ-1765 file in db886.

Source FBI via FOIA

U.S. Department of Justice

Federal Bureau of Investigation

Washington, D.C. 20535

July 18, 2008

Subject: **LOMAN, HENRY EDGAR**

FOIPA No. **1050765- 002**

Dear Mr. Lapsley:

The enclosed documents were reviewed under the Freedom of Information/Privacy Acts (FOIPA), Title 5, United States Code, Section 552/552a. Deletions have been made to protect information which is exempt from disclosure, with the appropriate exemptions noted on the page next to the excision. In addition, a deleted page information sheet was inserted in the file to indicate where pages were withheld entirely. The exemptions used to withhold information are marked below and explained on the enclosed Form OPCA-16a:

Section 552		Section 552a
☐(b)(1)	☐(b)(7)(A)	☐(d)(5)
☒(b)(2)	☐(b)(7)(B)	☐(j)(2)
☒(b)(3) Rule 6(3), Federal Rules	☒(b)(7)(C)	☐(k)(1)
of Criminal Procedure;	☒(b)(7)(D)	☐(k)(2)
26 U.S.C., Section 6103	☐(b)(7)(E)	☐(k)(3)
	☐(b)(7)(F)	☐(k)(4)
☐(b)(4)	☐(b)(8)	☐(k)(5)
☐(b)(5)	☐(b)(9)	☐(k)(6)
☒(b)(6)		☐(k)(7)

283 pages were reviewed and ***245 pages*** are being released.

☐ Document(s) were located which originated with, or contained information concerning other Government agency(ies) [OGA]. This information has been:

- ☐ referred to the OGA for review and direct response to you.
- ☐ referred to the OGA for consultation. The FBI will correspond with you regarding this information when the consultation is finished.

☒ You have the right to appeal any denials in this release. Appeals should be directed in writing to the Director, Office of Information and Privacy, U.S. Department of Justice,1425 New York Ave., NW, Suite 11050, Washington, D.C. 20530-0001 within sixty days from the date of this letter. The envelope and the letter should be clearly marked "Freedom of Information Appeal" or "Information Appeal." Please cite the FOIPA number assigned to your request so that it may be easily identified.

☐ The enclosed material is from the main investigative file(s) in which the subject(s) of your request was the focus of the investigation. Our search located additional references, in files relating to other individuals, or matters, which may or may not be about your subject(s). Our experience has shown, when ident, references usually contain information similar to the information processed in the main file(s). Because of our significant backlog, we have given priority to processing only the main investigative file(s). If you want the references, you must submit a separate request for them in writing, and they will be reviewed at a later date, as time and resources permit.

☒ See additional information which follows.

Sincerely yours,

David M. Hardy
Section Chief
Record/Information
Dissemination Section
Records Management Division

Enclosures

In further response to your Freedom of Information Act request, enclosed is a processed copy of FBI Headquarters file 166-1765, volume 1. This is a multi-subject file and only those portions of the file responsive to your request have been processed.

Pursuant to Title 28, Code of Federal Regulations, Sections 16.11 and 16.49, there is a fee of ten cents per page for duplication. Your check or money order, payable to the Federal Bureau of Investigation in the amount of ***$24.50***, is due upon receipt of this communication.

EXPLANATION OF EXEMPTIONS

SUBSECTIONS OF TITLE 5, UNITED STATES CODE, SECTION 552

(b)(1) (A) specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy and (B) are in fact properly classified to such Executive order;

(b)(2) related solely to the internal personnel rules and practices of an agency;

(b)(3) specifically exempted from disclosure by statute (other than section 552b of this title), provided that such statute(A) requires that the matters be withheld from the public in such a manner as to leave no discretion on issue, or (B) establishes particular criteria for withholding or refers to particular types of matters to be withheld;

(b)(4) trade secrets and commercial or financial information obtained from a person and privileged or confidential;

(b)(5) inter-agency or intra-agency memorandums or letters which would not be available by law to a party other than an agency in litigation with the agency;

(b)(6) personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy;

(b)(7) records or information compiled for law enforcement purposes, but only to the extent that the production of such law enforcement records or information (A) could be reasonably be expected to interfere with enforcement proceedings, (B) would deprive a person of a right to a fair trial or an impartial adjudication, (C) could be reasonably expected to constitute an unwarranted invasion of personal privacy, (D) could reasonably be expected to disclose the identity of confidential source, including a State, local, or foreign agency or authority or any private institution which furnished information on a confidential basis, and, in the case of record or information compiled by a criminal law enforcement authority in the course of a criminal investigation, or by an agency conducting a lawful national security intelligence investigation, information furnished by a confidential source, (E) would disclose techniques and procedures for law enforcement investigations or prosecutions, or would disclose guidelines for law enforcement investigations or prosecutions if such disclosure could reasonably be expected to risk circumvention of the law, or (F) could reasonably be expected to endanger the life or physical safety of any individual;

(b)(8) contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions; or

(b)(9) geological and geophysical information and data, including maps, concerning wells.

SUBSECTIONS OF TITLE 5, UNITED STATES CODE, SECTION 552a

(d)(5) information compiled in reasonable anticipation of a civil action proceeding;

(j)(2) material reporting investigative efforts pertaining to the enforcement of criminal law including efforts to prevent, control, or reduce crime or apprehend criminals;

(k)(1) information which is currently and properly classified pursuant to an Executive order in the interest of the national defense or foreign policy, for example, information involving intelligence sources or methods;

(k)(2) investigatory material compiled for law enforcement purposes, other than criminal, which did not result in loss of a right, benefit or privilege under Federal programs, or which would identify a source who furnished information pursuant to a promise that his/her identity would be held in confidence;

(k)(3) material maintained in connection with providing protective services to the President of the United States or any other individual pursuant to the authority of Title 18, United States Code, Section 3056;

(k)(4) required by statute to be maintained and used solely as statistical records;

(k)(5) investigatory material compiled solely for the purpose of determining suitability, eligibility, or qualifications for Federal civilian employment or for access to classified information, the disclosure of which would reveal the identity of the person who furnished information pursuant to a promise that his/her identity would be held in confidence;

(k)(6) testing or examination material used to determine individual qualifications for appointment or promotion in Federal Government service the release of which would compromise the testing or examination process;

(k)(7) material used to determine potential for promotion in the armed services, the disclosure of which would reveal the identity of the person who furnished the material pursuant to a promise that his/her identity would be held in confidence.

FBI/DOJ

FEDERAL BUREAU OF INVESTIGATION
FOIPA
DELETED PAGE INFORMATION SHEET

Serial Description ~ COVER SHEET 03/25/1966

Total Deleted Page(s) ~ 38
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b7C
Page 324 ~ b3 Rule 6(e), Federal Rules of Criminal Procedure, b6
b7C
Page 325 ~ b6, b7C
Page 331 ~ b2, b6, b7C, b7D
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Page 403 ~ b3, b6, b7C
Page 409 ~ b6, b7C

XXXXXXXXXXXXXXXXXXXXXXX
X Deleted Page(s) X
X No Duplication Fee X
X for this Page X
XXXXXXXXXXXXXXXXXXXXXXX

3/25/66

Airtel

To: SACs, Philadelphia (165-698) - Enc.
Los Angeles

From: Director, FBI

TARCASE
(OO: PHILADELPHIA)

[redacted]

UNKNOWN SUBJECTS.
ITAR - GAMBLING;
ITWP; FBW - CONSPIRACY
(OO: LOS ANGELES)

b6
b7C

Re Los Angeles teletype to Bureau 3/24/66, xerox copy of which is forwarded as an enclosure to the Philadelphia Office.

For the information of the Los Angeles Office Philadelphia is office of origin in an extensive investigation concerning a major gambling network covering many states. This investigation has revealed use of devices for the elimination of registering of toll calls.

Philadelphia Office will supply the Los Angeles Office with summary of usable information for the assistance of the Los Angeles Office in the investigation of above captioned Los Angeles case.

Los Angeles will keep the Bureau and the Philadelphia Office advised of all pertinent developments from Los Angeles investigation.

1 - 165-1895

SEE NOTE PAGE 2.

PJB:dsa
(8)

REC-81 165-1765-1

MCT-20

MAILED 18
MAR 25 1966
COMM-FBI

19 MAR 28 1966

APR 8 1966

Tolson
DeLoach
Mohr
Wick
Casper
Callahan
Conrad
Felt
Gale
Rosen
Sullivan
Tavel
Trotter
Tele. Room

MAIL ROOM TELETYPE UNIT

COPY FILED IN

Airtel to Philadelphia
Re: Tarcase

NOTE: Los Angeles is beginning an investigation based on information that electronic devices, commonly known as "black boxes" are being manufactured by [redacted] an electronic engineer in [redacted]. Los Angeles is aware of the fact that a small device was seized in the investigation in the Kenneth Herbert Hanna case and asks for information from other office where electronic device, "black box" has been used. Philadelphia, office of origin in the "Tarcase," is being directed to supply information to the Los Angeles Office. Los Angeles is being directed to keep Philadelphia advised of all developments.

b6
b7C

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
MAR 24 1966

TELETYPE

Mr. Tolson
Mr. DeLoach
Mr. Mohr
Mr. Wick
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

FBI WASH DC --

FBI LOS ANG.

109 PM PSTD E F E R R E D 3-24-66 EXC

TO DIRECTOR, BOSTON, CHICAGO, DETROIT, MIAMI, NEW YORK, AND SALT LAKE CITY

FROM LOS ANGELES \166-NEW\ 5P

[redacted] UNKNOWN

SUBJECTS. ITAR-GAMBLING\ ITWP\ FBW\ CONSPIRACY. OO\ LOS ANGELES.

RE MY TEL THREE TWENTY THREE LAST.

CURRENT INVESTIGATION OF ORGANIZED ILLEGAL GAMBLING HAS INDICATED THAT NATIONALLY KNOWN GAMBLERS HAVE BEEN UTILIZING ELECTRONIC DEVICE COMMONLY REFERRED TO AS "BLACK BOX" OR "BLUE BOX" TO CIRCUMVENT DETECTION AND CHARGES ON INTERSTATE TELEPHONE CALLS MADE FOR THE PURPOSE OF CONDUCTING GAMBLING ACTIVITIES.

LOS ANGELES HAS DEVELOPED INFORMATION WHICH IS CONSIDERED TO BE OF MAJOR IMPORTANCE WITH REGARD TO "BLACK BOX" DISTRIBUTION AND WHICH OFFERS AN EXCELLENT VEHICLE TO BE UTILIZED IN PROSECUTIONS OF NATIONAL GAMBLING FIGURES.

LA-114 REC 17 66-1765-2

9 MAR 28 1966

END PAGE ONE

69 APR 5 1966

RELAYED TO

b6
b7C

PAGE TWO

INFORMATION HAS BEEN DEVELOPED THAT THESE ELECTRONIC DEVICES ARE POSSIBLY BEING MANUFACTURED BY [redacted] /-\ ELECTRONIC ENGINEER IN [redacted] IN CONTACT REGULARLY WITH [redacted] IN CONTACT WITH [redacted] REGULARLY. [redacted] ARE BELIEVED TO BE PRIMARILY UTILIZED BY [redacted] FOR MARKETING AND DISTRIBUTING ELECTRONIC DEVICE.

[redacted] KNOWN TO LOS ANGELES AS ASSOCIATE OF NATIONALLY KNOWN GAMBLER [redacted] AND [redacted] AND OBSERVED TO BE IN CONTACT WITH EACH DURING THEIR VISIT TO LOS ANGELES. ADDITIONALLY, [redacted] KNOWN TO BE [redacted] OF NUMEROUS LOCAL GAMBLING FIGURES WHO ARE ALSO ASSOCIATES OF [redacted]

[redacted] HAS FREQUENTLY TRAVELED TO NEW YORK AND POSSIBLY MIAMI FOR UNDETERMINED PURPOSES.

[redacted] IN POSSESSION OF ELECTRONIC DEVICE WHICH HE UTILIZES IN HIS SUITE AT THE CONTINENTAL HOTEL, LOS ANGELES.

END PAGE TWO

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PAGE THREE

FBI SEARCH OF NATIONALLY KNOWN GAMBLER KENNETH HERBERT HANNA, BUFILE ONE SIX FIVE DASH ONE NINE NINE ZERO, MIAMI FILE ONE SIX FIVE DASH FIVE NINE TWO, CONDUCTED ON ONE EIGHT LAST, SEIZED, AMONG OTHER GAMBLING PARAPHERNALIA, A "BLUE BOX" AND AN ADDRESS BOOK OF HANNA LISTED THE NAME OF [redacted]

SEARCH BY FBI IN MIAMI ON ONE EIGHT LAST OF [redacted] [redacted] DISCLOSED THE NAME OF [redacted] IN ADDRESS BOOK.

DETROIT BY RADIOGRAM TO THE BUREAU DATED THREE TWENTY THREE INSTANT IN CASE ENTITLED [redacted] AKA. ET AL, ITWI, ITAR-GAMBLING, SET FORTH INFORMATION THAT "BLACK BOX" WAS BEING UTILIZED BY DETROIT GAMBLING ORGANIZATION PLACING CALLS IN INTER-STATE COMMERCE.

LOS ANGELES IS NOT AWARE OF OTHER CASES WHEREIN INFORMATION DEVELOPED THAT SUCH AN ELECTRONIC DEVICE IS UTILIZED.

PRELIMINARY DISCUSSION HELD LOS ANGELES WITH AUSA JOHN LALLY WHO ADVISED THAT IF ADMISSABLE INVESTIGATION CONDUCTED SUPPORTS FACTS THAT ELECTRONIC DEVICES BEING SHIPPED FROM LOS ANGELES TO GAMBLERS THROUGHOUT THE UNITED STATES, STRONG CONSIDERATION COULD BE GIVEN TO FEDERAL CONSPIRACY PROSECUTION TO TRANSPORTERS AND RECEIVERS IF EQUIPMENT UTILIZED FOR ILLEGAL PURPOSES. LALLY STATED

END PAGE THREE

b6
b7C

PAGE FOUR

THAT SUCH PROSECUTIONS WOULD BE BEST HANDLED UNDER A CONSPIRACY CASE EMINATING FROM THE POINT OF DISTRIBUTION WHICH COULD INCLUDE ALL RECEIVERS OF THIS EQUIPMENT. THIS PROSECUTION WOULD BE CONSIDERED UNDER ITAR AND ITWP LAWS WITH FRAUD BY WIRE CONSIDERATION FOR MANUFACTURER OF THIS EQUIPMENT.

INFORMATION DEVELOPED THAT [redacted] PLANS TRIP FROM LOS ANGELES AREA MONDAY, THREE TWENTY EIGHT NEXT FOR UNKNOWN PURPOSE. LOS ANGELES WILL COVER DEPARTURE AND ALERT OTHER OFFICES.

THE BUREAU IS REQUESTED TO FURNISH IDENTITY OF OTHER OFFICES WHEREIN ELECTRONIC DEVICE IE "BLACK BOX" USED.

OFFICIALS PACIFIC TELEPHONE AND TELEGRAPH HAVE ADVISED THAT POSSIBILITY EXISTS THAT IF PARTS IDENTIFIED OF INSTRUMENTS SEIZED AND FULLY DESCRIBED WITH THE TECHNICAL TERMS, IE. BRAND NAMES AND ELECTRICAL VALUE AND PHOTOGRAPH, PREFERABLY IN COLOR, OF THE UNDER SIDE OF DEVICE SHOWING ELECTRICAL CIRCUITRY, IT COULD BE DETERMINED IF MADE BY A COMMON SOURCE OR POSSIBLY BEING MANUFACTURED IN LOS ANGELES AREA.

MIAMI FURNISH ABOVE INFORMATION BASED ON YOUR SEIZURE.

END PAGE FOUR

PAGE FIVE

ALL RECEIVING OFFICES IF IN POSSESSION OF RECOVERED ELECTRONIC DEVICES SUPPLY THIS INFORMATION TO BUREAU AND LOS ANGELES.

LOS ANGELES IS AFFORDING THIS MATTER VIGOROUS INVESTIGATIVE EFFORT AND ALL OFFICES ARE REQUESTED TO SUTEL AND INFORMATION OF VALUE TO LOS ANGELES AND BUREAU. THE BUREAU WILL BE KEPT ADVISED OF ALL SIGNIFICANT DEVELOPMENTS THIS MATTER.

BS, CG, DE, MM, SU TO BE ADVISED

END

WA...5 8 SHLD ~~THIS SHLD~~ HAVE A VIA LINE FOR RELAY TONY

RPP

FBI WASH DC R RELAY

UES XXXX YES VIA SHD BE IN SRI

WA..XXXXX RPP

FBI WASH DC R RELAY

TU

cc - Mr. Bacon

9

MIAMI, SALT LAKE CITY AND PHILADELPHIA SUBMIT DEVICES MENTIONED ABOVE TO THE ATTENTION OF THE FBI IDENTIFICATION DIVISION AS LOS ANGELES ANTICIPATES SUBMITTING FINGERPRINTS OF SUSPECTED MANUFACTURER, [redacted] WITH REQUEST THAT INNER PARTS OF DEVICES BE EXAMINED TO DETERMINE IF LATENT FINGERPRINTS LINK THESE DEVICES TO [redacted] INVESTIGATION ESTABLISHED POSSIBLE SOURCE OF COMPONENTS FOR [redacted] AS DOW ELECTRONICS, PASADENA, CALIFORNIA. LOS ANGELES SOURCES BELIEVE SIMMS HAS MANUFACTURED APPROXIMATELY TWENTY "BLACK BOX" UNITS.

INVESTIGATION DISCLOSED THAT [redacted] AND UNKNOWN PILOT FLEW TO CALEXICO, CALIFORNIA FEBRUARY LAST WHERE MET BY [redacted] WEALTHY RESIDENT OF BAJA CALIFORNIA AND AN ELECTRONICS MANUFACTURER. [redacted] CARRYING TWO PACKAGES COMPARABLE IN SIZE TO "BLACK BOX" AND ENTIRE GROUP THEREAFTER TRAVELLED TO MEXICALI, MEXICO. FLIGHT MADE IN PRIVATE AIRCRAFT ESTABLISHED TO BE REGISTERED TO LOS ANGELES FLYING CLUB.

PHYSICAL SURVEILLANCE ~~FIGUR~~ THIS DATE DETERMINED [redacted] IS CONTACT WITH [redacted] AND VISITED MINSKOFF BUILDING, BEVERLY HILLS, CALIFORNIA, KNOWN HANGOUT OF LOCAL GAMBLERS. [redacted] CONTEMPLATES TRAVEL FOR EXTENDED PERIOD OUT OF LOS ANGELES, POSSIBLE DESTINATION MIAMI AND ANTIQUE BAY, DATES UNKNOWN. IT IS NOTED BOTH [redacted] AND DALLAS GAMBLER [redacted] KNOWN ASSOCIATES OF [redacted] ARE PRESENTLY IN ANTIQUE BAY. INFORMATION RECEIVED FROM TELEPHONE

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b7C

COMPANY, LOS ANGELES THAT [redacted] IN TELEPHONIC CONTACT WITH MIAMI, FLORIDA WITH ONE [redacted], KNOWN ASSOCIATE OF [redacted] [redacted].

MIAMI AND ATLANTA FURNISH BACKGROUND, LOS ANGELES OF [redacted] AS INFORMATION RECEIVED INDICATES [redacted] MAY HAVE PROVIDED [redacted] WITH DISCOUNT AIR LINE TICKETS POSSIBLY USED TO TRANSPORT ELECTRONIC DEVICES.

PHYSICAL SURVEILLANCE
~~FISUR~~ RE [redacted] ACTIVITIES CONTINUING AND PERTINENT OFFICES WILL BE ADVISED OF ANY PLANNED TRAVEL ON PART OF [redacted] SO THAT APPROPRIATE COVERAGE CAN BE AFFORDED HIS ACTIVITIES.

INVESTIGATION CONTINUING LOS ANGELES.

ATLANTA ADVISED AIR MAIL.

~~CORR. LINE 8 WD 7 SHOULD BE~~ [redacted].

END

WA---~~SXC~~

FBI WASH DC

MM---PJR

FBI MIAMI

PH---HWM

FBI PHILA

SU---LSB

FBI ~~GLC~~ CITY

TU VM CLR

CC- MR. TROTTER

FD-36 (Rev. 5-22-64)

FBI

Date: 4/4/66

Transmit the following in _____ (Type in plaintext or code)

Via AIRTEL _____ (Priority)

b6
b7C

TO: DIRECTOR, FBI

FROM: SAC, MIAMI (165-359) (P)

SUBJECT: [redacted]

UNSUBS
ITAR - GAMBLING; ITWP;
FBW - CONSPIRACY

OO: Los Angeles

Re Los Angeles teletypes to the Bureau dated 3/24 and 28/66, Miami report of SA [redacted] dated 1/13/66, captioned, "KENNETH HERBERT HANNA, aka, ITAR; ITWI; FBW,", and Salt Lake City report of SA [redacted] dated 3/15/66, captioned, [redacted] ITAR - ITWI."

Enclosed for Los Angeles are two regular photographs of the inside of the "blue box" seized in the search of HANNA's apartment, Miami, on January 8, 1966. A photograph of the outside of this box is on Page 96 of referenced Miami report which was previously furnished to Los Angeles.

Enclosed for Salt Lake City is one (1) copy of referenced Miami report and also one (1) photograph of the inside of the "blue box."

EX. 117

166-1765-9

3 - Bureau
2 - Los Angeles (166-462) (Enc. 2)
2 - Salt Lake City (1 - [redacted] (Info) (Enc. 2)
3 - Miami (1 - 165-592) (KENNETH HANNA)
(1 - [redacted]

APR 5 1966

WFH:pch
(10)

cc - Wick

Approved: _____ Sent _____ M Per _____
Special Agent in Charge

b6
b7C

Miami has already made latent fingerprint examinations on the "blue box" seized at HANNA's apartment. One latent print of value was obtained from the exterior of this box. This print is still unidentified. No further latent fingerprint examination of the inside of this "blue box" can be made without a disassembling of the components inasmuch as Miami has already introduced to the FGJ, this "blue box", as evidence, and desires that it be in operating condition for HANNA's trial in September, 1966. This box is not being submitted at this time to the FBI Identification Division per Los Angeles teletype dated March 28, 1966.

Miami is in the process of taking color photographs of the outside and inside of the "blue box" and will submit prints of these photographs when completed to the Bureau, Los Angeles and Salt Lake City.

For the information of Los Angeles, several latent fingerprints were developed on the airline tickets located in HANNA's apartment during the search of his premises. Subsequent investigation determined that these tickets were purchased on stolen credit cards. To date, the latent fingerprints have not been identified and it is possible that the source for the tickets found in HANNA's apartment may be the same source as the tickets used by [redacted] and [redacted] in their travel to Miami on March 31 - April 1, 1966.

Investigation by Miami continuing.

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
APR 5 1966
TELETYPE

Mr. Tolson
Mr. DeLoach
Mr. Mohr
Mr. Wick
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

b6
b7C

FBI LOS ANG.

404PM PST URGENT 4-5-66 SMZ

TO DIRECTOR, ATLANTA, MEMPHIS, NEWARK AND NEW ORLEANS

FROM LOS ANGELES (166-462)

[redacted]

UNSUBS, ITAR - GAMBLING; ITWP; FBW - CONSPIRACY. OO: LA.

REMYTEL FOUR FOUR LAST.

SUBJECTS BELIEVED RESPONSIBLE FOR MANUFACTURING AND DISTRIBUTING ELECTRONIC DEVICES THROUGHOUT THE UNITED STATES COMMONLY REFERRED TO BY TELEPHONE COMPANIES AS "BLUE BOXES". FOR INFORMATION BUREAU, ATLANTA BY TELETYPE DATED FOUR FIVE INSTANT ADVISED THAT [redacted] IN TELEPHONIC CONTACT THEIR AREA WITH [redacted], CURRENTLY UNDER INDICTMENT ON FEDERAL TAX STAMP VIOLATION IN GEORGIA AND ARRESTED THREE EIGHTEEN LAST AT ST. AUGUSTINE, FLORIDA ON GAMBLING CHARGE BY LOCAL AUTHORITIES. NEW ORLEANS BY TELETYPE DATED FOUR FIVE LAST ADVISED THAT [redacted] IN CONTACT WITH NATIONALLY KNOWN GAMBLER

END PAGE ONE

166-462-10

REC-47

18 APR 6 1966

EX-101

51 APR 14 1966

EUGENE ANTHONY NOLAN AND CURRENT INVESTIGATION BEING CONDUCTED BY SOUTHERN BELL TELEPHONE, WHO BELIEVES NOLAN HAD AND MAY CURRENTLY HAVE AN ELECTRONIC DEVICE ON HIS TELEPHONE. FOR INFORMATION NEW ORLEANS AND ATLANTA, LOS ANGELES HAS FORWARDED TO THE IDENTIFICATION DIVISION, LATENT FINGERPRINT SECTION, FINGERPRINTS OF [redacted] WHO IS BELIEVED TO HAVE MANUFACTURED AT LEAST TWENTY BLUE BOXES. LEADS HAVE BEEN REQUESTED OF OTHER OFFICES TO OBTAIN THESE DEVICES AND FORWARD THEM TO THE IDENTIFICATION DIVISION FOR COMPARISON. WITH ANY LATENT PRINTS ON COMPONENTS OF DEVICES. b6 b7C

NEW ORLEANS DETERMINE IF PROBABLE CAUSE EXISTS FROM INVESTIGATION ALREADY CONDUCTED BY SOUTHERN BELL TO CONDUCT LOGICAL FEDERAL SEARCH IF INSTRUMENT BELIEVED CURRENTLY IN USE AND THEREAFTER FORWARD TO IDENTIFICATION DIVISION AS IT IS BELIEVED BY USA, LOS ANGELES THAT UTILIZATION OF THIS DEVICE IS IN VIOLATION OF FRAUD BY WIRE AND TRANSPORTATION OF IT IN VIOLATION OF GAMBLING STATUTES IF USED BY GAMBLERS.

INVESTIGATION CONTINUING LOS ANGELES.

END

WA ... ALT

FBI WASH DC

AT ...THW

FBI ATLANTA

ME ...SBJ

FBI MEMPHIS

NK ...TJH

FBI OEWARK

DNO ...RJS

FBI NEW ORLS

cc- Mr Trotter

FD-36 (Rev. 5-22-64)

FBI

Date: 4/1/66

Transmit the following in _____ (Type in plaintext or code)

Via AIRTEL AIR MAIL (Priority)

b6
b7C

TO: DIRECTOR, FBI

FROM: SAC, LOS ANGELES (166-462)

RE: [redacted]

UNSUBS
ITAR - GAMBLING;
ITWP; FBW - CONSPIRACY

OO: LOS ANGELES

Re Los Angeles teletype to the Director 3/28/66.
Oklahoma City letter to Dallas 2/16/66,
captioned "THOMAS E. MC CAY; ET AL, FBW,"
Bureau file 87-86712.

REC-81 166-1765-11

Referenced letter reflects seizure of "four black boxes" and diagrams relating to manufacturer of these devices in the Oklahoma City area. Referenced letter indicates VIRGIL SALATHIEL, in the spring of 1965, met in Los Angeles with individuals from Oklahoma City and sold them a "black box" for $500. This device was reportedly manufactured by an ex-Western Electric engineer in Los Angeles and appears to be the one seized at Okliana Corporation, Oklahoma City, on 1/17/66.

3 - Bureau
2 - Oklahoma City (87-12262) (AM)
2 - Los Angeles
(7)

EEC: Wick

18 APR 4 1966

Approved: _____ Sent _____ M Per _____
Special Agent in Charge

b6
b7C

LA 166-462

Los Angeles, through investigation of captioned case involving manufacturer of "black boxes" in Los Angeles and the possible distribution to national gambling figures, has submitted fingerprints of suspected manufacturer, [redacted] to Bureau with request that inner parts of recovered devices be examined to determine if latent fingerprints link these devices to [redacted].

Investigation established possible source of components for [redacted] as Dow Electronics, Pasadena, California. Los Angeles sources believes [redacted] has manufactured approximately 20 black box units and it is felt that [redacted] has sold these devices to gambling figures in the Los Angeles area.

Officials, Pacific Telephone and Telegraph Company, have advised that the possibility exists that if parts of seized devices are fully described with the technical terms, i.e. brand names and electrical value and photograph, preferably in color, with underside of device showing electrical circuitry, it could be determined if made by a common source or possibly being manufactured in Los Angeles area.

LEADS

OKLAHOMA CITY

AT OKLAHOMA CITY, OKLAHOMA: (1) Will, if possible, submit devices mentioned in referenced letter to the Bureau, attention Latent Fingerprint Section, for fingerprint examination and comparison with fingerprints of [redacted].

(2) Will furnish color photographs of electrical circuits and complete description of these seized devices.

NR 145-46 12-15

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
APR 4 1966
TELETYPE

Mr. Tolson	
Mr. DeLoach	
Mr. Mohr	
Mr. Wick	
Mr. Casper	
Mr. Callahan	
Mr. Conrad	
Mr. Felt	
Mr. Gale	
Mr. Rosen	
Mr. Sullivan	
Mr. Tavel	
Mr. Trotter	
Tele. Room	
Miss Holmes	
Miss Gandy	

FBI LOS ANG.

8:17 PM PST D E F E R R E D 4/4/66 VLB

TO: DIRECTOR, NEWARK, ATLANTA, MEMPHIS, NEW ORLEANS

FROM: LOS ANGELES (166-462) /2 PAGES/

[redacted] UNKNOWN SUBJECTS. ITAR - GAMBLING; ITWP; FBW; CONSPIRACY. OO: LOS ANGELES.

SUBJECTS ALLEGEDLY INVOLVED USING ELECTRONIC DEVICE REFERRED TO AS "BLACK BOX" IN MAKING LONG DISTANCE TELEPHONE CALLS FOR GAMBLING PURPOSES. CONFIDENTIAL INFORMATION RECEIVED TODAY ALLEGES [redacted] TO HAVE CALLED FOLLOWING NUMBERS. [redacted] KNOWN TO BE IN POSSESSION OF "BLACK BOX".

UNION CITY, NEW JERSEY; [redacted]

FOUR ZERO FOUR - FOUR EIGHT THREE - FOUR SEVEN ZERO SIX BOWEN ENTERPRISES ATLANTA HIGHWAY, CONYERS, GEORGIA. SIX ONE FIVE - TWO FIVE SIX - TWO ONE ONE FOUR, DOWNTOWN RECREATION CENTER, [redacted]

END PAGE ONE

REC 76 166-1765-[redacted]

11 APR 11 1966

67 APR 15 1966

F141

[redacted] b6 b7C FIVE ZERO FOUR DASH THREE FOUR EIGHT - THREE ONE NINE SEVEN, NO. A. NOLAN, ONE ZERO FIVE ONE RETTIVER DRIVE BATON ROUGE, LOUISIANA. RECEIVING OFFICES DETERMINE THROUGH LOCAL TELEPHONE FACILITIES IF ABOVE SUBSCRIBERS POSSIBLY UTILIZING ELECTRONIC DEVICES. SUTEL IF SUBSCRIBERS INVOLVED IN GAMBLING ACTIVITIES. E. A. NOLAN, BATON ROUGE APPARENTLY IDENTICAL WITH EUGENE NOLAN KNOWN TO LOS ANGELES.

END

WA ---JMS

cc - Mr. Rosen

FBI WASH DC

NK ---TJHVNXFBI NEWARK

AT ---ARK

FBI ATLANTA

ME ---CAF

FBI MEMPHIS

NO ---RJS

FBI NEW ORLS

TU CLR

4/5/66

PLAIN TEXT

TELETYPE URGENT

TO: DIRECTOR (MAIL), LOS ANGELES (166-642)

FROM: NEW ORLEANS (166-New)

[redacted] - GAMBLING; ITWP; FEW; CONSPIRACY, b6 b7C

OO: LOS ANGELES.

RE LOS ANGELES TELETYPE TO BUREAU, APRIL FOUR LAST.

[redacted] b7D

E. A. NOLAN MENTIONED RETEL IS IDENTICAL TO EUGENE ANTHONY NOLAN, SUBJECT OF BUFILE ONE SIX TWO - ONE ZERO TWO ONE, LOS ANGELES FILE NINE TWO - FIVE ZERO ZERO.

END PAGE ONE

1 - New Orleans
1 - Bureau
1 - Atlanta (AM)
1 - Memphis (AM)
NOB:jab
(4)

REC-112 166-1765-18

16 APR 7 1966

9 APR 18 1966

NEW ORLEANS WILL FOLLOW THIS MATTER WITH [redacted] b7D

ATLANTA AND MEMPHIS ADVISED AIRMAIL.

END.

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

APR 7 1966

TELETYPE

Mr. Tolson
Mr. DeLoach
Mr. Mohr
Mr. Wick
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

FBI WASH DC --

FBI LOS ANG.

457 PM PST URGENT 4-7-66 PLS

TO DIRECTOR

NEW YORK VIA WASHINGTON

PHILADELPHIA

FROM LOS ANGELES \166-462\

b6
b7C

[redacted]

UNSUBS. ITAR-GAMBLING\ ITWP\ FBW - CONSPIRACY. OO\ LA.

CURRENT INVESTIGATION AT LOS ANGELES REFLECTS THAT [redacted] PRODUCED "BLUE BOXES" DISTRIBUTED LOCALLY AND NATIONALLY BY [redacted] AND [redacted] BELIEVED TO HAVE SOLD "BOXES" TO GAMBLERS ON EAST COAST WHO WERE DESIGNATED BY NATIONALLY KNOWN GAMBLER [redacted] USING "BLUE BOX" TELEPHONED GAMBLERS EUGENE NOLAN, BATON ROUGE, LOUISIANA, [redacted] CONYERS, GEORGIA, [redacted] ONE [redacted] UNION CITY, NEW JERSEY, THOMAS WILTON BOYD, NASHVILLE, TENNESSEE. \ALL ABOVE ARE BELIEVED TO HAVE RECEIVED "BLUE BOXES" FROM [redacted] ADDITIONALLY, [redacted]

REC. 1 765-19

END PAGE ONE

4 APR 12 1966

RELAYED TO NY

69 APR 19 1966

b6
b7C

IS BELIEVED TO HAVE SENT "BLUE BOXES" TO GAMBLER KENNETH HANNA, MIAMI, FLORIDA. MAGNETIC TAPES BEING RUN ON [redacted] CALLS WILL POSSIBLY REFLECT ADDITIONAL SUSPECTS WHO RECEIVED THIS DEVICE.

ADDITIONALLY, [redacted] SOLD "BLUE BOX" TO [redacted] SALT LAKE CITY AND [redacted] GREAT FALLS, MONTANA.

INVESTIGATION CONDUCTED THIS DATE REFLECTS THAT THIRTY EIGHT INDIVIDUALS HAVE OR ARE USING THIS DEVICE IN THE LOS ANGELES AREA.

ALL OFFICES COVERING ABOVE SUBJECTS HAVE BEEN REQUESTED TO CONTACT LOGICAL TELEPHONE COMPANIES TO DETERMINE IF A "BLUE BOX" IS BEING USED THEIR AREA FOR INTERSTATE CALLS. NEW ORLEANS BY TELETYPE FOUR SIX LAST REPORTED THAT PRIOR TO INFORMATION REGARDING "BLUE BOX" INVESTIGATION CONDUCTED BY TELEPHONE COMPANY IS DISSEMINATED CLEARANCE WOULD HAVE TO BE OBTAINED FROM GENERAL MANAGER OF SECURITY, SOUTHERN BELL, ATLANTA, GEORGIA WHO COORDINATES ACTIVITIES THROUGHOUT NINE SOUTHERN BELL STATES.

BECAUSE THESE DEVICES ARE BEING MANUFACTURED IN LOS ANGELES AND DISTRIBUTED FROM THIS AREA, IT IS BELIEVED HIGHLY DESIRABLE THAT ALL RECIPIENTS OF BOXES BE IDENTIFIED

b6
b7C

PAGE THREE

SO THAT PROOF CAN BE OBTAINED THAT THEY ARE USING THIS DEVICE. TELEPHONE COMPANIES HAVE AND CAN DO THIS BY USING ELECTRONIC EQUIPMENT. IT IS ALSO BELIEVED THAT FEDERAL PROSECUTION FOR VIOLATION OF GAMBLING STATUTES AND FRAUD BY WIRE CAN BE OBTAINED BY ENJOINING THE MANUFACTURERS, USERS AND RECIPIENTS OF THESE DEVICES IN AN OVERALL CONSPIRACY CASE.

INFORMATION RECEIVED LOS ANGELES THAT TELEPHONE COMPANIES NATIONALLY ARE CONCERNED OVER THE USE OF THESE INSTRUMENTS IN ORDER TO DETERMINE A NATIONAL POLICY FOR DISSEMINATION, A T AND T PLANS TO CONDUCT A NATIONAL TELEPHONE CONFERENCE OF ALL SECURITY HEADS ON THE AM OF FOUR ELEVEN NEXT. LOS ANGELES HAS DEVELOPED INFORMATION THAT LOS ANGELES SUBJECTS ARE ATTEMPTING TO MASS PRODUCE THESE "BOXES." BUREAU WILL BE KEPT ADVISED OF ALL EFFORTS TO LOCATE AND IDENTIFY THIS MANUFACTURER.

UACB, NEW YORK IS REQUESTED TO ON FOUR EIGHT NEXT CONTACT [redacted] A T AND T, NEW YORK CITY, AND DISCUSS WITH HIM BUREAU INTEREST IN THIS MATTER, ASCERTAIN THE OVERALL POLICY FOR DISSEMINATION, EMPHASIZE THE NECESSITY FOR TELEPHONE COMPANY COOPERATION SO THAT ALL

END PAGE THREE

PAGE FOUR

RECIPIENTS AND USERS OF "BLUE BOXES" CAN BE IDENTIFIED AND SO THAT THE FULL LEGAL FACILITIES OF TELEPHONE COMPANIES NATIONALLY WILL BE MADE AVAILABLE TO INSURE SUCCESSFUL PROSECUTION.

INVESTIGATION CONTINUING LOS ANGELES.

AM COPIES ATLANTA, BOSTON, BUTTE, CHICAGO, DETROIT, MEMPHIS, MIAMI, NEWARK, NEW ORLEANS, OKLAHOMA CITY, SALT LAKE CITY.

PHILADELPHIA WILL BE ADVISED THIS DATE.

END

WA... NHH RELAY

FBI WASH DC --

TU CLR\5

CC-MR. ROSEN

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

APR 6 1966

TELETYPE

b6
b7C

Mr. Tolson
Mr. DeLoach
Mr. Mohr
Mr. Wick
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

FBI NEW ORLS

544 PM CST URGENT 4-6-66 PHJ

TO DIRECTOR, ATLANTA, AND LOS ANGELES

FROM NEW ORLEANS (168-87)

[redacted] UNKNOWN

SUBJECTS. ITAR - GAMBLING; ITWP; FBW; CONSPIRACY.

OO: LOS ANGELES.

RE LOS ANGELES TELETYPE DATED APRIL FOURTEEN, LAST.

[redacted], SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY, NEW ORLEANS, ADVISED PROBABLE CAUSE CANNOT BE DETERMINED AT THIS TIME. HE ESTIMATES IT WILL BE THE LATTER PART OF APRIL OR THE EARLY PART OF MAY BEFORE DETERMINATION CAN BE MADE, IN VIEW OF THE MULTITUDE OF PHONES AVAILABLE TO EUGENE ANTHONY NOLAN AT BATON ROUGE AND NEW ORLEANS.

REC-42 166-1265-22

15 APR 13 1966

[redacted] FURTHER ADVISED THAT NO FURTHER DETAILS ARE AVAILABLE RE THE TELEPHONE COMPANY'S METHOD OF INVESTIGATION.

[redacted] ADVISED THAT THE [redacted] OF THE SECURITY DIVISION OF THE SOUTHERN BELL TELEPHONE COMPANY, ATLANTA, GEORGIA, WHO COORDINATES ALL SECURITY ACTIVITIES

END PAGE ONE

51 APR 21 1966

b6
b7C

THROUGHOUT THE NINE SOUTHERN BELL STATES MUST BE CONSULTED BEFORE ADDITIONAL INFORMATION IS AVAILABLE.

[redacted] SUGGEST THAT HIS CASE BE HANDLED SIMILAR TO THE PROCEDURE SET UP IN THE INVESTIGATION OF THE TAR CASE IN PHILADELPHIA, WHEREIN THE TELEPHONE COMPANY, THE DEPARTMENT OF JUSTICE, AND THE FBI COORDINATED THE INFORMATION AVAILABLE RE A BLACK BOX OPERATION.

LIAISON IS BEING MAINTAINED WITH THE SECURITY DEPARTMENT OF SOUTHERN BELL TELEPHONE COMPANY.

AM COPIES BEING SENT NEWARK AND MEMPHIS.

END

WA LLD

FBI WASH DC

AT JDW

FBI ATLANTA

LA PLS

FBI LOS ANG.

cc - Mr. Rosen

THKS AND CLR.

FD-36 (Rev. 5-22-64)

FBI

Date: 4/14/66

Transmit the following in _____ (Type in plaintext or code)

Via AIRTEL (Priority)

b6
b7C

TO: DIRECTOR, FBI

FROM: SAC, MIAMI (166-359) (P)

SUBJECT: [redacted]

UNSUB
ITAR - GAMBLING; ITWP;
FBW - CONSPIRACY

OO: Los Angeles

Re Los Angeles teletype to Bureau dated 4/7/66 and Miami airtel to Bureau dated 4/11/66.

[redacted] Fontainebleau Hotel, Miami Beach, Fla., advised that [redacted], checked into the Fontainebleau Hotel, on April 1, 1966, and occupied Room 518. [redacted] left sometime during the night of April 11, 1966, skipping out on a bill of $783.60. [redacted] believes that [redacted] left on an earlier date, possibly April 8, 1966.

He advised that [redacted] represented himself as a reporter for the "Herald Examiner" of Los Angeles.

[redacted] advised that [redacted] had a safety deposit box at the hotel which [redacted] gave up on April 7, 1966.

MCT-30 166-1765-27

3 - Bureau
2 - Los Angeles (166-462)
1 - Miami
WFH:pch
(6)

REC 37 4 APR 16 1966

Approved: _____ Sent _____ M Per _____

Special Agent in Charge

54 APR 26 1966

[redacted] advised that the following long distance toll calls to Los Angeles were charged to Room 518: b6 b7C

[redacted] (Collect)

[redacted] (Collect from [redacted]

[redacted] b6 b7C b7D

[redacted] stated that [redacted], telephone [redacted] apparently had a "blue box" in operation on his telephone until January 8, 1966, at which time, KENNETH HANNA's arrest was made and the a "blue box" was seized. [redacted]

[redacted]

[redacted]

It should be noted that [redacted] is listed in KENNETH HANNA's address book. b6 b7C

Los Angeles is requested to obtain background information on [redacted] verify his residence address and to advise Miami accordingly.

b6
b7C

MM 166-359

Miami will obtain background information on [redacted] and [redacted] and consider interviewing them concerning their operation of "blue box" prior to HANNA's arrest.

4-3 (Rev. 1-27-66)

Tolson
DeLoach
Mohr
Wick
Casper
Callahan
Conrad
Felt
Gale
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

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☐ AIRGRAM ☐ CABLEGRAM ☒ RADIO ☐ TELETYPE

b6
b7C

REC-13

R-48

URGENT 4-21-66 2:18 AM (4-22-66)

TO DIRECTOR AND ATLANTA, BALTIMORE, MEMPHIS, MIAMI, NEWARK, NEW ORLEANS

FROM LOS ANGELES 212250

[redacted] ET AL. ITAR - GAMBLING; ITWP; FBW - CONSPIRACY, OO: LA.

FOR INFORMATION RECEIVING OFFICES, THIS CASE RELATES TO THE MANUFACTURE AND USE OF ELECTRONIC DEVICE CALLED "BLUE BOX" USED TO CIRCUMVENT BILLING AND DETECTION ON INTERSTATE CALLS WHICH USA'S OFFICE, LOS ANGELES CONSIDERS TO BE IN VIOLATION OF FRAUD BY WIRE AND IF GAMBLING CONVERSATIONS, VIOLATION OF TITLE 18, SECTION 1084. REC-13 166-1760-30

ON APRIL, 20 LAST FEDERAL GRAND JURY SUBPOENA OBTAINED, SERVED ON [redacted] NOW IN POSSESSION [redacted]

b3
b6
b7C

RELAYED TO: AT BA ME MM NK NO

51 MAY 2 1966

If the intelligence contained in the above message is to be disseminated outside the Bureau, it is suggested that it be suitably paraphrased in order to protect the Bureau's cryptographic systems.

4-3 (Rev. 1-27-66)

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☐ AIRGRAM ☐ CABLEGRAM ☒ RADIO ☐ TELETYPE

PAGE TWO FROM LOS ANGELES 212250

b6
b7C

OF FBI. THESE TAPES CONTAIN DETAILED CONVERSATIONS BETWEEN [redacted] AND [redacted] AND OTHER GAMBLERS LOCATED IN AREAS COVERED BY RECEIVING OFFICES.

CALLS AND CONVERSATIONS IN MAIN SHOW [redacted] CONTACTING [redacted] OBTAINING INSTRUCTIONS HOW TO PLACE BETS FOR [redacted] AND THEREAFTER, HIS BETTING INTO BOOKMAKERS HERBERT KAUFMAN, BETTING CODE 67, BALTIMORE, MARYLAND; [redacted] BETTING CODE 26, CONYERS, GEORGIA; THOMAS MILTON BOYD, BETTING CODE 31, NASHVILLE, TENNESSEE; UNKNOWN INDIVIDUAL, BETTING CODE 72, UNION CITY, NEW JERSEY, HAVING TELEPHONE SUBSCRIPTION UNDER NAME [redacted] EUGENE NOLAN, BETTING CODE 98, BATON ROUGE, LOUISIANA; SAM, POSSIBLY [redacted] BETTING CODE 707, NEW ORLEANS, LOUISIANA.

TAPES CONCERNING THESE CALLS IN PROCESS OF BEING TRANSCRIBED.

AUSA JOHN LALLY OF OPINION THAT TAPES OBTAINED BY TELEPHONE COMPANY IN COURSE OF NORMAL BUSINESS TO CIRCUMVENT FRAUD AGAINST THEIR COMPANY LEGAL AND USABLE IN FEDERAL COURT. LALLY OF OPINION THAT FACTS PRESENT A STRONG CASE AGAINST [redacted] AND ALL

If the intelligence contained in the above message is to be disseminated outside the Bureau, it is suggested that it be suitably paraphrased in order to protect the Bureau's cryptographic systems.

4-3 (Rev. 1-27-66)

b6
b7C

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Holmes
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☐ AIRGRAM ☐ CABLEGRAM ☒ RADIO ☐ TELETYPE

PAGE THREE FROM LOS ANGELES 212250

GAMBLERS CONTACTED BY HIM FOR SECTION 1084 AND AGAINST [redacted] FOR FRAUD BY WIRE.

LOS ANGELES ALSO CONDUCTING CURRENT INVESTIGATION ON NUMEROUS OTHER USERS OF THIS DEVICE IN LOS ANGELES AREA AND PLANS NO ACTION AGAINST ANY UNTIL SIMULTANEOUS ARRESTS CAN BE EFFECTED.

RECEIVING OFFICES ARE REQUESTED TO CONDUCT NO OPEN INVESTIGATIONS WHICH COULD POSSIBLY ALERT THE INDIVIDUALS UNDER INVESTIGATION WHICH WOULD CAUSE [redacted] TO BE NOTIFIED OF FBI INTEREST.

THIS CASE CONTINUING TO RECEIVE PREFERRED ATTENTION AND THE BUREAU WILL BE KEPT ADVISED.

NEW YORK AND PHILADELPHIA ADVISED AM.

RECEIVED: 2:46 AM (4-22-66) RWP

cc - Mr. Rosen

If the intelligence contained in the above message is to be disseminated outside the Bureau, it is suggested that it be suitably paraphrased in order to protect the Bureau's cryptographic systems.

FD-36 (Rev. 5-22-64)

FBI

Date: 4/26/66

b6
b7C

Transmit the following in PLAIN
(Type in plaintext or code)

Via AIRTEL
(Priority)

TO: DIRECTOR, FBI

FROM: SAC, NEWARK (166-553)(P)

[redacted]
ET AL
ITAR - GAMBLING;
ITWP; FBW - CONSPIRACY
(OO: LA)

Re Newark airtel 4/8/66 (IO) and Los Angeles Tel 4/22/66.

As noted in referenced Newark airtel, telephones listed to [redacted] were connnected 12/3/65. Investigation in case of KENNETH HERBERT HANNA, aka; ITAR; ITWI; FBW, (Bufile 165-1990) showed these premises were used beginning about mid-December, 1965, and ending 1/8/66 at which time [redacted] was found to be operating a bookmaking office at this location.

FD 302 dated 1/18/66 by SAs [redacted] and [redacted] in HANNA case (copy furnished to LA by airtel) shows two calls to location on 1/8/66 from "AL".

Los Angeles is requested to review telephone tapes to determine if [redacted] contacted a [redacted] at [redacted] numbers and if calls have gambling content. If above mentioned calls were recorded, it is possible SA [redacted] can identify his own voice as having received them at about 12:40 PM EST, on 1/8/66.

REC 17 166-1765-31

3 - Bureau
2 - Los Angeles (165-462)
1 - Miami (Info)
2 - Newark
JPW:lgd
(8)

EX-108 APR 27 1966

Approved: Sent M Per
Special Agent in Charge

4-3 (Rev. 1-27-66)

b6
b7C

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Wick
Casper
Callahan
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☐ AIRGRAM ☐ CABLEGRAM ☒ RADIO ☐ TELETYPE

R-35

URGENT 4-27-66 12:45 AM (4-28-66)

TO DIRECTOR, ATLANTA, BALTIMORE, MEMPHIS, MIAMI, NEWARK AND NEW ORLEANS

FROM LOS ANGELES 272245

[redacted] ET AL. ITAR - GAMBLING; ITWP; FBW-CONSPIRACY.

OO: LOS ANGELES.

REMYTEL APRIL 21 LAST.

THIS CASE CONCERNS MANUFACTURE AND USE OF ELECTRONIC DEVICE CALLED "BLUE BOX" USED TO CIRCUMVENT BILLING AND DETECTION ON INTERSTATE CALLS. CALLS MADE FOR OTHER THAN GAMBLING PURPOSES CONSTRUED BY USA, LOS ANGELES TO BE FRAUD BY WIRE CASES. THOSE MADE INVOLVING GAMBLING MATTERS CONSTRUED TO BE FBW AND ITAR - GAMBLING.

GRAND JURY SUBPOENAS HAVE BEEN ISSUED TO [redacted]

b3

[redacted]

[redacted] 1966 AT BA ME MM NK NO

If the intelligence contained in the above message is to be disseminated outside the Bureau, it is suggested that it be suitably paraphrased in order to protect the Bureau's cryptographic systems.

4-3 (Rev. 1-27-66)

b6
b7C

Tolson
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☐ AIRGRAM ☐ CABLEGRAM ☒ RADIO ☐ TELETYPE

PAGE TWO FROM LOS ANGELES 272245

COMPLAINTS AND SEARCH WARRANTS TO BE FILED END OF MAY FOR ARRESTS OF APPROXIMATELY 12 TO 15 INDIVIDUALS LOS ANGELES AND INTERVIEWS OF 40 OTHERS SUSPECTED OF BEING USERS IN PAST. AT SAME TIME USA CONSIDERING ARRESTS OF INDIVIDUALS WHO ENGAGED IN GAMBLING CONVERSATIONS WITH [redacted] WHO ARE SUSPECTED TO BE:

NEWARK, NEW JERSEY, INDIVIDUAL SUBSCRIBING TO TELEPHONE AT UNION CITY, NEW JERSEY, [redacted] KNOWN UNDER BETTING CODE 72.

NEW ORLEANS DIVISION, AT NEW ORLEANS, CODE 707, IDENTIFIED AS [redacted] BATON ROUGE, CODE 98, TELEPHONE 348 3197 (BELIEVED EUGENE NOLAN). MEMPHIS DIVISION AT NASHVILLE, TENNESSEE, CODE 31, TELEPHONE 256 2114, BELIEVED TO BE THOMAS MILTON BOYD.

BALTIMORE DIVISION, CODE 67, TELEPHONE 669 2275, (HERBERT KAUFMAN).

ATLANTA DIVISION AT CONYERS, GEORGIA, CODE 26, TELEPHONE [redacted] BELIEVED TO BE [redacted]

MIAMI DIVISION, DAD ([redacted] TELEPHONES [redacted]

If the intelligence contained in the above message is to be disseminated outside the Bureau, it is suggested that it be suitably paraphrased in order to protect the Bureau's cryptographic systems.

4-3 (Rev. 1-27-66)

Tolson
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Gandy

b6
b7C

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☐ AIRGRAM ☐ CABLEGRAM ☒ RADIO ☐ TELETYPE

PAGE THREE FROM LOS ANGELES 272245

AND [redacted] IN ADDITION TO [redacted] USING [redacted] TELEPHONE.

FOR INFORMATION BUREAU, [redacted] [redacted] SERVICE AND TARGET FOR LOS ANGELES FEDERAL GRAND JURY ACTION RECENTLY USING "BLUE BOX" IN CALLS MADE TO SEATTLE, MIAMI AND CHICAGO. TAPES BEING MADE READY FOR GRAND JURY SUBPOENAS AND NUMBERS CALLES WILL BE SET FORTH FOR IDENTIFICATION.

RECEIVING OFFICES IDENTIFY SUBSCRIBERS CALLED YOUR AREA THROUGH REVIEW OF RECORDS OF RESPECTIVE TELEPHONE COMPANIES AND FURNISH THIS INFORMATION TO LOS ANGELES BY RETURN AIRTEL WITH APPROPRIATE INSERTS.

ADDITIONALLY FURNISH THUMBNAIL SKETCH EACH INDIVIDUAL INCLUDING AGE, RESIDENCE, AND EMPLOYMENT AND ANY INFORMATION REFLECTING GAMBLING CONVICTIONS.

MIAMI REVIEW RECORDS OBTAINED THROUGH ARREST OF [redacted] AND ATTEMPT TO LOCATE BETTING CODES USED BY HIM.

IT IS NOTED CONVERSATIONS TOOK PLACE REGARDING CODE NUMBERS 97 AND 906 WHO HAVE NOT BEEN IDENTIFIED.

If the intelligence contained in the above message is to be disseminated outside the Bureau, it is suggested that it be suitably paraphrased in order to protect the Bureau's cryptographic systems.

4-3 (Rev. 1-27-66)

Tolson
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☐ AIRGRAM ☐ CABLEGRAM ☒ RADIO ☐ TELETYPE

PAGE FOUR FROM LOS ANGELES 272245

NEWARK AND MIAMI ARE REQUESTED TO FURNISH LOS ANGELES WITH ANY INFORMATION AS TO THE IDENTITY OF CODE 72 OF UNION CITY, NEW JERSEY AND INFORMANTS SHOULD BE CONTACTED IN AN EFFORT TO IDENTIFY THIS PARTY.

ALL OFFICES NOTE THAT USA'S OFFICE CONSIDERING ISSUANCE OF COMPLAINTS AND WARRANTS ON INDIVIDUALS SET FORTH IN THIS TEL AND ARRESTS TO BE MADE AT SAME TIME AS ARRESTS MADE BY FBI, LOS ANGELES, THEREFORE, INVESTIGATION REQUESTED TO BE EXPEDITED.

THIS CASE CONTINUING TO RECEIVE PREFERRED ATTENTION AND THE BUREAU WILL BE KEPT ADVISED.

CHICAGO, DALLAS, PHILADELPHIA AND SEATTLE ADVISED AM.

RECEIVED: 1:17 AM RWP

If the intelligence contained in the above message is to be disseminated outside the Bureau, it is suggested that it be suitably paraphrased in order to protect the Bureau's cryptographic systems.

4-3 (Rev. 1-27-66)

Tolson
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☐ AIRGRAM ☐ CABLEGRAM ☒ RADIO ☐ TELETYPE

R 46

URGENT 5-3-66 7:22 AM

TO DIRECTOR ATLANTA AND NEWARK

ATLANTA AND NEWARK VIA WASHINGTON

FROM LOS ANGELES 030713

[redacted] b6 b7C

1

[redacted] ET AL. ITAR-GAMBLING; ITWP; FBW-CONSPIRACY.

[redacted] ADVISES [redacted] CODE NUMBER 72, b2 b6 b7C b7D

CURRENTLY RESIDING [redacted] OPERATING BOOK OR MAGAZINE

STORE. [redacted]

SSN [redacted] IN PAST HAS BEEN EMPLOYED AS [redacted]

[redacted] FORMERLY ASSOCIATED WITH KENNETH HANNA IN BOOKMAKING

ACTIVITY AND [redacted] USING "BLUE BOX" PLACED BETS WITH NUMBER

72 UNION CITY, NEW JERSEY IN DECEMBER, LAST.

ATLANTA ATTEMPT TO ESTABLISH RESIDENCE AND IDENTIFY BUSINESS

OF [redacted] b6 b7C

EX-108 REC-7 166-1765-34

NEWARK FURNISH ANY ADDITIONAL INFORMATION REGARDING

WHEREABOUTS OF [redacted] TO ATLANTA AND LOS ANGELES.

53 MAY 16 1966

If the intelligence contained in the above message is to be disseminated outside the Bureau, it is suggested that it be suitably paraphrased in order to protect the Bureau's cryptographic systems.

4-3 (Rev. 1-27-66)

Tolson
DeLoach
Mohr
Wick
Casper
Callahan
Conrad
Felt
Gale
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

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☐ AIRGRAM ☐ CABLEGRAM ☒ RADIO ☐ TELETYPE

PAGE TWO FROM LOS ANGELES 030713

[redacted] SOURCE ADVISED [redacted] WILL BE MADE AVAILABLE THROUGH GRAND JURY SUBPOENA 54 NEXT. b3 b6 b7C

AUSA JOHN LALLY, LOS ANGELES, REVIEWED TRANSCRIPTS OF [redacted] TAPES AND ADVISED HE PLANS TO AUTHORIZE ISSUANCE OF FEDERAL COMPLAINTS END OF MAY, 1966 AGAINST [redacted] HERBERT KAUFMAN, [redacted] EUGENE NOLAN AND POSSIBLY AGAINST [redacted] b6 b7C

INVESTIGATION CONTINUING LOS ANGELES, BUREAU WILL BE ADVISED OF PERTINENT DEVELOPMENTS.

RECEIVED: 6:50 AM LJT

CC-MR. ROSEN

If the intelligence contained in the above message is to be disseminated outside the Bureau, it is suggested that it be suitably paraphrased in order to protect the Bureau's cryptographic systems.

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27

5010-106-03

UNITED STATES GOVERNMENT

Memorandum

FOIPA TON 3/11-13-13

TO : DIRECTOR, FBI (~~166-1725~~)

DATE: 5/4/66

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FROM : SAC, NEW ORLEANS (168-87)

SUBJECT: [redacted] ET AL,
ITAR - GAMBLING
ITWP
FWB - CONSPIRACY
OO: LOS ANGELES

For the information of the Bureau and Los Angeles in connection with the above captioned case, enclosed herewith are 2 Xeroxed copies of the following motions filed in the USDC, EDLA, in case entitled "USA vs. [redacted] ET AL, Defendants."

1. Motion to Suppress Evidence signed by Defendant [redacted] and EUGENE A. NOLAN.

2. Motion for Severance of Counts and Defendants filed in behalf of [redacted] 2

3. Government's Opposition to Defendants' Motions to Dismiss and Suppress on Grounds of Section 605, Title 47, USC. 2

4. Government Supplemental Memorandum in Opposition to Motions Filed by the Defandant [redacted] 2

5. Minute Entry dated July 17, 1962, under Judge HERBERT W. CHRISTENBERRY, denying Defandants' motions. 2

BRIEF SYNOPSIS OF THE FACTS: [redacted] 166-1765-39

EX-112

The case entitled BENJAMIN LASSOFF, ET AL, involved a trial of 9 defendants who were prominent gambling figures in the United States. These defendants included [redacted] EUGENE ANTHONY NOLAN, and [redacted] who are all currently involved in the above captioned case.

ENCLOSURE
INCL BEHIND FILE

2-Bureau (Enc 2)
2-Los Angeles (Info) (Enc 2)
2-New Orleans

RLK/dca
(6)

cc 1 cdd

3 MAY 11 1966

NW

1 copy of Encl. ded

~~JUN 6 1966~~ 56 JUL 20 1966

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NO 168-87
RLK/dea

The defendants through contrivance of four long-line telephone employees, had established a system whereby long distance telephone calls were made to the various defendants without a record being made and without charges or excise tax being imposed. The defendants were charged with avoiding the Federal excise tax on the long distance telephone calls. In pre-trial conferences and motions, it was established that employees of the telephone company monitored and recorded the various telephone calls made by the defendants and the motions enclosed herewith reflect the defendants efforts to suppress these recordings and the records of the monitored telephone calls.

It is noted that the defendants motions were denied by the minute entry of Judge HERBERT W. CHRISTENBERRY on July 17, 1962.

The nine defendants who stood trial were found not guilty by a jury in New Orleans and this case had not been appealed. Two of the defendants entered pleas of guilty and received sentences.

The trial of this case was complicated by the fact that an Internal Revenue Agent admitted tapping the telephone of defendant [redacted] and recording bets made by [redacted] All evidence and all charges stemming from this illegal monitoring [redacted] suppressed. This illegal monitoring is believed responsible [redacted] guilty verdict and the admission greatly hampered the presentation of this case.

The enclosed motions of the defendants are similar to motions made by all defendants and, therefore, the motions made by each defendant are not being forwarded.

It is believed that the legal problems present in the captioned case are similar to the legal problems in the LASSOFF trial, and therefore, copies of the motions are being forwarded tothe Bureau and Los Angeles for information.

U. S. DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA
FILED
JAN 31 1962
A. DALLAM O'BRIEN, JR.
CLERK

UNITED STATES DISTRICT COURT

FOR THE EASTERN DISTRICT OF LOUISIANA

NEW ORLEANS DIVISION

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UNITED STATES OF AMERICA	*	
	*	
VS.	*	CRIMINAL ACTION
	*	
[redacted] et al	*	NO. 28,247
	*	

MOTION TO SUPPRESS EVIDENCE

Come now the defendants, [redacted] and Eugene A. Nolan, through undersigned counsel, and respectfully move this Honorable Court to suppress the following described evidence, to-wit:

All evidence obtained, directly or indirectly, from intercepted telephone messages or communications in any way relating to or connected with the matters alleged in the indictment herein and by whomsoever intercepted including, but not limited to

1. All tapes, transcripts and other memoranda and records of such intercepted messages or communications;

2. All data, information or testimony obtained directly or indirectly by and through the use of such intercepted messages or communications and information gained therefrom;

3. All testimony of any witnesses whose identity was obtained in the first instance, directly or indirectly, by and through the use of such intercepted messages or communications and information gained therefrom;

4. All testimony of any witnesses whose recollection has been or may be aided or refreshed by such intercepted messages or communications or the divulgence of the existence or contents of said messages or communications; and

166-1765-39

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5. All testimony of any persons in anyway concerned with the interception of such messages or communications or with the divulgence or publication of the existence, contents, substance, purport, effect or meaning of said messages or communications.

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for the reason that the interception of said messages or communications and any divulgence or publication of the existence, contents, substance, purport, effect or meaning thereof violate the provisions of Section 605, Title 47, U. S. C. A., and any evidence obtained, directly or indirectly, as a result thereof is incompetent and inadmissible in this cause.

WHEREFORE, movers pray for an order suppressing the use of any of the aforesaid evidence and for such further orders and relief as may be just and proper in the premises.

[redacted]

Eugene A. Nolan
EUGENE A. NOLAN

[redacted]

BY: [redacted]
ATTORNEYS FOR DEFENDANTS,
[redacted] and
EUGENE A. NOLAN

[redacted]

OF COUNSEL FOR DEFENDANT,
[redacted]

U. S. DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

FILED SEP 28 1961

A. DALLAM O'BRIEN, JR.
CLERK

IN THE UNITED STATES DISTRICT COURT

FOR THE EASTERN DISTRICT OF LOUISIANA

UNITED STATES OF AMERICA

versus

[redacted] ET ALS.

NO. 28,247

CRIMINAL

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MOTION FOR SEVERANCE OF COUNTS AND DEFENDANTS

On motion of Harold Brouphy, through the undersigned counsel, and he respectfully represents to the Court that he will be prejudiced by the trial together of the offenses joined in the several counts of the indictment, and of the defendants joined as defendant in said indictment. He therefore moves the court:

1. That the court grant him a severance of counts 1, 19 and 20 of the indictment and that he be tried on said counts separately from the remaining counts of the indictment, and

2. That he will be prejudiced and unable to obtain a fair trial unless the court grant him a trial separate from the trial of all other defendants named in said indictment.

[redacted]
Attorney for Harold Brouphy

CERTIFICATE OF SERVICE

This is to certify that I have served the United States Attorney on this 28th day of September, 1961 with a true copy of the Motion for a Bill of Particulars, Motion to Dismiss and Motion for Severance.

[redacted]
Attorney for Harold Brouphy

FEE
PROCESS
X CHARGE
INDEX
ORDER
HEARING
DOCUMENT

IN THE UNITED STATES DISTRICT COURT

FOR THE EASTERN DISTRICT OF LOUISIANA

UNITED STATES OF AMERICA : NO. 28,247

versus : CRIMINAL

[redacted] et als. :

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MEMORANDUM

May It Please The Court:

The defendant Harold Brouphy is charged in an indictment of 20 counts together with 12 other individuals with violations of the laws of the United States.

This defendant is charged in Count one with being in a conspiracy with his 12 codefendants to defraud the United States and individually in Counts 19 and 20 with having devised a scheme to defraud the American Telephone and Telegraph Company and its subsidiaries and affiliates by wire communications in interstate commerce.

On behalf of the defendant, three motions were filed, to-wit:

1. Motion to dismiss Counts 1, 19 and 20 of the indictment.
2. Motion for a Bill of Particulars
3. Motion for a Severance.

This memorandum will present the argument on the motions in the order in they appear above.

MOTION NO. 1

The pertinent words of the Statute under which the defendant is charged in Count one reads as follows:

> "If two or more persons conspire either to commit any offense against the United States, or to defraud the United States, or any agency thereof in any manner, or for any purpose and one or more of such persons do any act to effect the object of the conspiracy,***"

shall be punished as therein provided.

officers of the various communicating centers over which the communication may be passed, or to the master of a ship under whom he is serving, or in response to a subpena issued by a court of competent jurisdiction, or on demand of other lawful authority; and no person not being authorized by the sender shall intercept any communication and divulge and publish the existence, contents, substance, purport, affect or meaning of such interception to any person;"

From a reading of the statute, it is apparent, that there is a violation of the provisions of this title when any person receiving a communication by wire legally or otherwise, to divulge or publish of the existence of such communication, for the reason that §605 of Title 47 is not only a rule of procedure but also defines an offense.

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In the case of [redacted] vs. U.S., 308 U.S. 321, 60 S.Ct. 269, the court said:

"This section consists of four clauses separated by semicolons. The pertinent one is the second: 'and no person not being authorized by the sender shall intercept any communication and divulge or publish the existence, contents, substance, purport, effect, or meaning of such intercepted communication to any person;'. Plainly the interdiction thus pronounced is not limited to interstate and foreign commerce."

Further the court said,

"***it is pointed out that each clause of section 605 is complete in itself; and in the first and third clauses, deal with the divulgence of messages by persons engaged in receiving or transmitting them, the communications are specified as 'any interstate or foreign communication' whereas in the second and fourth clauses with the interception and divulgence of communications, the phrases used are 'any communication' and 'such intercepted communication.'"

The conclusion therefore reached by the Court was that the Federal Communications Act prohibits any person not being authorized by the sender to intercept any communication or divulge and publish the existence of any communication.

From reading the statute it is apparent that there are direct prohibitions against anyone to divulge or publish even the existence of an intercepted communication. And once it has been established that there has been a divulgence of even the existence of an intercepted communication, then all evidence that is developed as a result of the divulgence of the existence of said call is inadmissable against the defendant in the trial of a criminal case.

In the instant case, it is submitted that the telephone company having monitored the calls, had no right to publish and/or divulge the existence to anyone.

It is therefore respectfully submitted that the defendant in counts 1, 19 and 20 is protected from prosecution by Section 605 of The Federal Communications Act. He is protected as to clause one, because the persons receiving said messages had no right to divulge even the existence of said communications and as to clause 2 in that he did not authorize anyone to publish or divulge the existence of any calls.

It is well settled in our jurisprudence that the only crimes against the United States are those which are statutory and that statutes creating crimes do not extend to cases not covered by the words used. The Supreme Court of the United States has repeatedly laid down that doctrine:

> "There are no common law crimes against the United States." U.S. vs. [redacted] 144 U.S. 677, 12 S.Ct. 764.
>
> "Regards must ALWAYS be had to the familiar rule that one may not be punished for crime against the United States unless the facts shown PLAINLY AND UNMISTAKABLY constitute an offense within the meaning of an Act of Congress." [redacted] vs. U.S., 276 U.S. 505, 48 S.Ct. Rep. 400; [redacted] vs. U.S., 272, U.S. 620.
>
> "Statutes creating crimes are to be STRICTLY construed in favor of the accused; they may not be held to extend to cases not covered by the words used." U.S. vs. [redacted] et als., 299 U.S. 207, 57 S.Ct. Rep. 126; U.S. vs. [redacted] Wheat. 76, 95.

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The pertinent words of the Statute under which the defendant is charged in Counts 19 and 20 reads as follows:

> "Whoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, transmits or causes to be tramsmitted by means of wire, radio, or television communication in interstate or foreign commerce, any writings, signs, signals, pictures or sounds for the purpose of executing such scheme or artifice***"

shall be punished as provided thereon.

It should be immediately pointed out that the above quoted section was placed in chapter 63 of Title 18, U.S.C.A. dealing with mail frauds. It stated purpose as setforth in house report No. 2385 was "to close a loop hole in the present law." (U.S. Code Congressional and Administrative News of 1956, Vol. 2 pg. 3091).

House Report No. 2385 reads as follows:

HOUSE REPORT NO. 2385

"The Committee on the Judiciary, to whom was referred the bill (S. 3674) to amend section 1343, of title 18, United States Code, relating to fraud by wire, radio, or television, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE

This bill is designed to close a loophole in the present law, which limits the prosecution of frauds involving wire, radio, and television communication to interstate transactions, only. It would extend this coverage to foreign communications as well.

GENERAL STATEMENT

Section 1343 of title 18, which this bill amend, is that part of the so-called mail-fraud chapter which imposes penalties for schemes to defraud in interstate commerce through the use of wire, radio, and television communication. This legislation has been prompted by a recent case in which it was alleged that a fraudulent scheme was carried out by means of telephone communication from Mexico to Los Angeles. In that case, which was prosecuted in California, the defendant won dismissal of the charge by showing that he had transmitted the fraudulent message from Mexico over an international line, and that the transmission was therefore not in interstate commerce, but rather in foreign commerce. Accordingly, to meet this kind of defense, the present bill proposes to revise the section so as to make punishable any transmission "in interstate or foreign commerce."

This legislation was introduced at the request of the Department of Justice, whose executive communication is made a part of this report. In addition there are reports from the Department of State and the Federal Communications Commission, which have no objection to this legislation.***"

While an all inclusive rule has not been recognized by the Court regarding the definition and meaning of the offense denounced by the mail fraud statute by wire, it is submitted that two things are certain.

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These are:

(1) The statute does not embrace all dishonest methods or schemes furthered or consumated by use of the wires.

(2) The lossor damage must be accomplished by means of deceit or false representations as to the substantial identity of that which may be promised or undertaken.

In the case of [redacted] vs. United States, 272 U.S. 621, the Supreme Court of the United States in rendering the decision, pointed out that there were various unlawful means of obtaining money, involving the use of the mails, that did not constitute a scheme to defraud under the Statute.

As to the second point it is also authoritatively established that the mail fraud statute is directed solely against such unlawful schemes wherein and whereby the fraud which is contemplated is accomplished by deceit and false representations regarding the substantial identity and essentials of that which may be undertaken or promised. The Court of Appeals, Sixth Circuit, in the case of Hamison vs. U.S. 200 Fed. 662, after an exhaustive review of the authorities, confirmed the above to be the law and pointed out that the statutory 'scheme to defraud' must entail some plan whereby the money or property of others is to be obtained(***) by deceiving *** as to the substantial identity of the thing. This case was cited with approval in the case of Naponiello vs. U.S., 291 Fed. 1008.

In the case of [redacted] vs. U.S., 54 Fed. 1001, the court held that:

> "Not every representation constitutes a scheme to defraud. Criminality is established only when the false representation or pretense is the operating cause."

And in the case of [redacted] vs. U.S., 92 Fed. (2nd) 753, said that the

> "'Scheme to defraud' denounced by the statute involves the deprivation of anothers money or property through the means of deception."

Further the court in that case specifically announced that the person devising a fraudulent scheme, in order to bring it within the statute,must intend in some manner to delude the person upon whom the scheme is to be practiced.

It is not the evil intended or accomplished that it important in determining whether the statute has been violated but whether deceit and false representations were the means resorted to and practiced.

It is submitted that at best the case as to the substantive Counts 19 and 20, is one that it is a fraud in the use of the means governed by the statute rather than the use of the means governed by the statute to accomplish the fraud.

Further I cannot conceive how it could have been the intent of Congress to pass a law that would make the government a collection agency for a telephone company. In other words, it canot be contemplated that Congress intended to make it a Federal violation for every person who would use a slug in a telephone to make a call so that the person would be subject to prosecution in Federal Court.

It is respectfully submitted that Counts 19 and 20 should be dismissed.

MOTION NO. II

In dealing with the motion for a bill of particulars, it is conceded that the general rule for the granting or refusing of a motion for a bill of particulars generally lies within the sound discretion of the trial court and that such motion must be timely made to enable the defendant to sustain his demand as to such right.

The authority to order a bill of particulars is part of and derived from the common law power of the Court, and has been frequently exercised, and is provided for in Rule 7(f) Federal Rules of Criminal Procedure.

Rule 7 recognizes and provides for a bill of particulars in general terms:

> "(f) Bill of Particulars. The court for cause may direct the filing of a bill of particulars. A motion for a bill of particulars may be made only within ten days after arraignment or at such other time before or after arraignment as may be prescribed by rule or order. A bill of particulars may be amended at any time subject to such conditions as justice requires."

In dealing with the right to a Bill of Particulars, Zoline's Federal Criminal Law and Procedure, Vol. 1, Par. 257, says:

> "The Sixth Amendment to the Constitution of the United States provides that a defendant shall be informed of the nature and cause of the accusation against him. The Fifth Amendment to the Constitution of the United States provides that: 'No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a Grand Jury'. It will therefore be seen that the Constitution speaks of two separate and distinct things. A defendant charged with an infamous crime must be first indicted in the manner provided by law. Next, he must be informed of the nature of the accusation against him. Consequently, where the indictment itself is general in its nature or merely uses the language of the statute, a person charged with a criminal offense in the United States Courts is entitled to a bill of particulars as a matter of right, in view of the positive language of the Constitution of the United States. In a recent case, Judge Ward of the United States Circuit Court of Appeals for the Second Circuit, said: 'Bills of particulars have grown from very small and technical beginnings into most important instruments of justice. . .While they are not entitled to advise a party of his adversary's evidence, or theory, they will be required, even if that is the effect, in cases where justice necessitates it'. The clearest expression on the subject of bills of particulars was recently stated by District Judge Julius M. Mayer, of the Southern District of New York. In granting the bill of particulars, Judge Mayer, among other things, said: 'There are situations where a clear and frank statement will reduce to its proper and simplest limits whatmight otherwise be a confused controversy, and thus in the ultimate best interest of the government, as well as out of fairness to a defendant, a prompt solution may be invited of what are more likely to be questions of law than of fact...' And again the learned Judge said: 'If, in a case of this kind, fundamental issues are not clearly defined, at the outset, the trial Judge may well be confronted with great difficulty in passing upon the admissibility of testimony; and the familiar promise to connect, although made in perfect good faith, may not be fulfilled, with resultant embarrassment to the jury in the endeavor to exclude from its official mind that which it ears have heard'. There can be no doubt that a defendant is entitled to a bill of particulars where the averments follow the language of the statute and are general in terms."

In [redacted] vs. U.S., 275 Fed. Rep. 310, the Court said:

"But, if the defendants thought that it failed to apprise them of the nature of the accusation against them with that degree of certainty to which they thought themselves entitled, they had a right to ask for a bill of particulars. The right to such a bill may be confined to civil cases, in a few states. But it is not so restricted in the Federal Courts, and when the charges of an indictment are so general that they do not sufficiently advise the accused of the specific acts, with which he is charged, the trial court has power to order a bill of particulars to be furnished. [redacted] vs. U.S., 174 U.S. 47, 64, 19 Sup. Ct. 574. It has been held that, while such a bill cannot supply the omission of an essential averment in the indictment, it may remove an objection upon the ground of uncertainty. United States vs. [redacted] 16 Fed. 376, 21 Blatchf 287."

United States vs. [redacted] et al., 26 F. Supp. 491, (1939) holds:

P.499 --"It is necessary to discuss at length the fundamental principles governing the granting or withholding of a bill of particulars. The facts and circumstances of each particular case must be considered. Fundamentally the defendants have a right to be advised of the time, place and nature of the acts complained of. Courts have been liberal in granting motions for bills of particulars. Judge Ware in the case of [redacted] v. American Tobacco Co. S.C. 200 F. 973, page 975, said:

" 'Bills of particulars have grown from very small and technical beginnings into most important instruments of justice * * * While they are not intended to advise a party of his adversary's evidence, or theory, they will be required, even if that's the effect, in cases where justice necessitates it'. . .

P. 499 "What constitutes these unlawful agreements and the acts done in connection therewith should be stated with greater certainty than is found in the information.

A bill of particulars should be furnished to define the issues more clearly, to expedite the trial and to promote the ends of justice".

It is respectfully submitted that the doctrines laid down in the above authorities are particularly applicable here. Confronted with an indictment which charges the defendant in the statutory language of the acts denounced and it does not furnish him with sufficient facts so that the defendant can adequately prepare for his defense to said charges.

It is therefore respectfully requested that the government be required to answer each and every request for information that has been propounded in said motion.

MOTION NO. III

It is well settled that an application by a defendant for a severance is addressed to the sound discretion of the trial Court - a proposition that is so well settled as to require neither discussion nor citation of authority.

However, there are recognized exceptions to the above statement as can be found from a reading of certain Federal Rules of Criminal Procedure.

Rule 8 provides:

> "(a) Joinder of Offenses. Two or more offenses may be charged in the same indictment or information in a separate count for each offense if the offenses charged, whether felonies or misdemeanors or both, are of the same or similar character or are based on the same act or transaction or on two or more acts or transactions connected together or constituting parts of a common scheme or plan.
>
> (b) Joinder of Defendants. Two or more defendants may be charged in the same indictment or information if they are alleged tohave participated in the same act or transaction or in the same series of acts or transactions constituting an offense or offenses. Such defendants may be charged in one or more counts together or separately and all of the defendants need not be charged in each count."

The above rule is supplemented by Rule 14 of the Federal Rules of Criminal Procedure which provides:

> "If it appears that a defendant or the government is prejudiced by a joinder of offenses or of defendants in an indictment or information or by such joinder for trial together, the court may order an election or separate trials of counts, grant a severance of defendants or provide whatever other relief justice requires."

Therefore, one of two conditions must exist before two or more transactions and/or defendants can be charged in a single indictment or in different counts of the same indictment.

These are:

(1) That the offense be based on the same act or transaction, on two or more acts or transactions connected together as constituting parts of a common scheme or plan; or,

(2) That all the defendants participated in the same acts or transactions.

In the leading case, dealing with the prejudicial misjoinder of offenses and defendants was the case recently decided by the Supreme Court of the United States of [redacted] vs. United States, 328 U.S., 750, in that case the court gave an exhaustive study of the subject and stated:

"The only question is whether petitioners have suffered substantial prejudice from being convicted of a single general conspiracy by evidence which the Government admits proved not one conspiracy, but some eight or more different ones of the same sort executed through a common key figure, [redacted]

Loans were made by individuals giving false matter as to nature of loans (b) were made in fictitious named persons.

In many cases the other defendants did not have any relationship with one another, other than Brown's transaction with each transaction.

As the Government puts it, the pattern was 'That the separate spokes meeting in a common center' though, we may add, without the rim of the wheel to enclose the spokes.

The proof therefore admittedly made out a case not of a single conspiracy, but of several, notwithstanding only one was charged in the indictment."

Further the Court said:

"In [redacted] vs. United States 295 U.S. 78, the Court held that in the circumstances presented the variance was not fatal where one conspiracy was charged and two were proved, relating to contemporaneous transactions involving counterfeit money. One of the conspiracies had two participants; the other had three; and one defendant, [redacted] was common to each. 'The true inquiry', said the Court, 'is not whether there had been a variance in the proof, but whether there has been such a variance as to 'affect the substantial rights' of the accused.

The question we have to determine is whether the same ruling may be extended to a situation in which one conspiracy only is charged and at least eight having separate, though similar objects, are made out by the evidence, if believed; and in which the more numerous participants in the different schemes were, on the whole, except for one, different persons who did not know or have anything to do with each other.

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§269 of the Judicial Code (28 U.S.C. §391) which is controlling provides:

"On the hearing of any appeal, certiorari, writ of error, or motion for a new trial, in any case civil or criminal, the court shall give judgment after an examination of the entire record before the court, without regard to technical errors, defects, or exceptions which do not affect the substantial rights of the parties."

"The proposed legislation affects only technical errors. If the error is of such a character that its natural effect is to prejudice a litigants substantial rights, the burden of sustaining a verdict,will, notwithstanding this legislation rest upon the one who claims under it. "[redacted] vs. U.S. 309 U.S. 287 at 294.

Further in the opinion, the Court said:

"Obviously the burden of defense to a defendant, connected with one or a few of so many distinct transactions, is vastly different not only in preparation for trial, but also in looking out for and securing safeguard against evidence affecting other defendants, to prevent its tranference as 'harmless error' or by psychological effect, in spite of instructions for keeping separate transactions separate.

The Governments' theory seems to be, in ultimate logical reach, that the error presented by the variance is insubstantial and harmless, if the evidence offered specifically and properly to convict each defendant would be sufficient tosustain his conviction if submitted in a separate trial. For the reasons we have stated and in view of the authorities cited, this is not and cannot be the test under §269.

The trial court was of the view that one conspiracy, was made out by showing that each defendant was linked to [redacted] in one or more transactions, and that it was possible on the evidence for the jury to conclude that all were in a common adventure, because of this fact and the similiarity of purpose presented in the various applications for loans.

There are times when of necessity, because of the nature and scope of the particular federation, large numbers of persons taking part must be tried together or not at all, at any rate as respects some. When many conspire, they invite mass trial by their conduct. Even so, the proceedings are exceptional to our tradition and call for use of every safeguard to individualize each defendant in his relation to the mass. Wholly different is it with those who join together with only a few, though many others may be doing the same and though some of them may line up with more than one group. Criminal they may be, but it is not the criminiality of mass conspiracy.

> The dangers of transference of guilt from one to another across the line separating conspiracies, subconsciously or otherwise, are so great that no one really can say prejudice to substantial right had not taken place. Sec. 269 had no purpose to go so far. And as further proof, section 557 of the Judicial Code (Rules 8a and 8b). And further §269 carries the threat of overriding §557 for substituting separate counts in the place of separate indictments unless the application of §269 is made with restraint."

In the instant case, although one general conspiracy is charged in Count 1,it is the contention of the defendant that the proof will show that many separate and distinct alleged conspiracies existed. That to try him together with the other named defendants will prejudice the substantial rights of the accused and there is a distinct danger of the transference of guilt to him in the proof of the other alleged conspiracies contained in Count 1.

The same is equally true as to the charges contained in Counts 19 and 20. In each of counts,other than Count 1,there is a similarity of transactions charged, but the proof will show that each is a separate and distinct transaction and has no relationship to the other transactions or defendants named in the substantive counts of the indictment.

It is therefore submitted that as to Motion No. 3, that should the defendant be required to answer to the alleged charges, that he be granted a severance and tried separately from the other defendants and as to such counts wherein he is charged.

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Respectfully submitted,

[redacted]

UNITED STATES DISTRICT COURT

FOR THE EASTERN DISTRICT OF LOUISIANA

UNITED STATES OF AMERICA)

v.) C 28247

[redacted] ET AL.) Div. A.

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GOVERNMENT'S OPPOSITION TO DEFENDANTS' MOTIONS TO DISMISS AND SUPPRESS ON GROUNDS OF SECTION 605, TITLE 47, U.S.C.

The arguments supporting the position that 47 U.S.C. 605 has no applicability to the facts of this case have already been set forth in a previous memorandum. However, subsequent to this memorandum, the defendants filed additional memoranda (reply memorandum on behalf of defendants Nolan, [redacted], Perez, Glorioso, Bagneris, Reyn, Brouphy; memorandum in support of motions made by the defendant Mones). These memoranda manifest a palpable misinterpretation of both the nature of the facts here and the nature of the contentions made by the Government with regard to the monitoring issue. As a consequence, in order to make it abundantly clear what the contentions of the Government are and what the facts of this case will show, it has become necessary to submit a supplemental memorandum relating to this phase of the case. The issues raised in the Mones' memorandum on other aspects of the case, have been answered in a separate memorandum.

I. THE DEFENDANTS IN THIS CASE ARE NOT ENTITLED TO THE PROTECTIONS OF SECTION 605.

In attacking the Government's arguments the defendants have concentrated the bulk of their assault upon the argument that the

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telephone company possesses a right to monitor which was not exceeded on the facts of this case. Except for a few attempts to distinguish the case of United States v. [redacted] 226 F.2d 281 (9 Cir. 1955), aff'd per curiam, 351 U.S. 916 (1956), these defendants have completely overlooked the contention of the Government that these defendants have no rights of privacy under 47 U.S.C. Section 605 because they were not lawfully on the lines. Wholly apart from any rights of monitoring that the telephone company may have, the Government contends that in view of the fact that these defendants were using the facilities of the telephone company without authority, they can have no standing to invoke the protections of Section 605. The crux of the Government's position is that one cannot achieve a privacy intended for senders lawfully on the lines, with a view toward achieving the overall purpose of protecting the integrity of the means of communication from interference, by virtue of a use of telephone facilities which is in itself a trespass and a larceny.

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Perhaps the failure of the defendants to stress this aspect of the Government's argument is inadvertent; perhaps it is the result of an awareness of the difficulties in their position with regard to standing. In any event a brief review of the precedents in support of the Government's position that Section 605 was not meant to and does not apply to these defendants, as well as a discussion of the total lack of applicable precedents to contravene this position, will make it abundantly clear that the defendants' motions based on Section 605 should in all respects be denied.

Before going into the precedents, a word should be said about the efforts made by these defendants to escape the facts of this case. Time after time they ask the Court to analogize the facts here to some other situation, and then proceed to argue on the basis of an assumed, hypothetical set of facts, that the Government's position is

incorrect. They repeatedly assume that the calls were normal regular calls except for the fact that tolls were not paid; they ask the Court to assume that nothing more was done than to fail to pay a bill; they say that it is the same as if one uses another's phone without permission, etc. All of these assumptions fail to meet the Government's arguments on the facts of this case. The Government is not arguing the lack of applicability of Section 605 to some other analogical facts; the Government's argument is predicated upon a reasonable construction of Section 605 so as to exclude from its sweep these facts and no other. Therefore, analogies, "as if" arguments, hypothetical assumed facts and the like are totally irrelevant to the issues here. The use of such analogies is a clever argumentative technique; without question the defendants can assume a hypothetical set of facts more favorable to themselves than the ones that in fact exist, but nonetheless this Court must decide the motions on the facts.

The fact is that in this case more is involved than a mere failure to pay a bill; there is no question of using the phone of a lawful subscriber without permission. Instead, the facts reflect telephone calls placed through telephone company linemen having no authority to place them; the calls were placed in some cases on test board equipment that was not used for the transmission of toll calls generally; in other cases, the calls were placed on long-distance switchboards that were at the time not in use for the benefit of long-distance toll senders generally and not operated by persons generally designated for that purpose. The corrupt employees had access to these idle switchboards only for the purpose of testing long-distance circuits. Hence, it is highly inaccurate to assume that but for the failure to pay a charge these calls utilized the normal and regular channels of communication. For the purpose of determining the applicability of

47 U.S.C. Section 605 to this case it is impossible to separate the non-payment of toll charges from the unique way in which this non-payment was achieved in this case. The non-payment is not the only significant element. It is also highly important that in this case no record was to have been made or could be made of the calls in the ordinary course of events; no recourse was allowed the company to collect the toll charge and the tax, and none of these results would follow upon a mere failure to pay a bill. Similarly, it would be idle to speculate on what the possibilities would be if no intent to pay a bill existed at the time the call was placed, or if a fictitious name and number had been used. Such issues are not raised by these facts and need not concern the Court here where there is present both the use of the toll facilities of the telephone company without authority and without the payment of tolls, as well as the placing of calls through means outside the facilities of communications available to the public generally.

The unique nature of these facts renders much of the case law regarding Section 605 inapposite since the majority of cases that have arisen have involved senders lawfully on the lines; they have therefore not raised the issue which must be decided here, i.e., whether a bootleg use of telephone facilities qualifies a person as a "sender" within the meaning of the statute who is thereby entitled to the privacy there afforded for the purpose of protecting the integrity of the telephone system. However, in the only cases that have arisen which have involved comparable situations, the courts have decided against affording the protection of Section 605 to persons using the means of communications without lawful authority.

A case that is so close to the facts here that it can be regarded as controlling in this case i[redacted] v. United States, supra. In this case the Court was presented with the decision of a lower court which had suppressed evidence secured through the monitoring activities of a Federal Communications Commission engineer on the ground that it constituted a violation of Section 605. The prosecution in this case was for a conspiracy to violate the immigration laws arising out of the employment of wetbacks on the defendant's farm. The engineer was equipped with monitoring devices, and located a transmitter belonging to the defendants with the consequence that he heard the defendants broadcasting instructions to the overseers in the field. Some of these instructions were with relation to the secreting of Mexican nationals in violation of the laws of the United States. During the periods of the monitoring the defendants' station was licensed, but the operator's license for [redacted] did not arrive until after the time when most of the monitoring took place. The licenses were delayed because the defendants had failed to fill out a blank in their operator's license application. Some of the monitored broadcasts were recorded; on others notes were made, and the contents were made available to the Immigration and Naturalization Service, the District Attorney, and the Grand Jury.

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The appellate court reversed the trial court and stated that the trial court must re-examine the motions bearing in mind that free use can be made of the communications during the period the operators were not licensed; the Court further stated that a distinction must be drawn between the use made of the monitored broadcasts for the periods that the defendants were not licensed and the periods when they were licensed.

In reaching its conclusions the Court made some general observations on the nature of private radio station privacy as opposed to telephone privacy, and while it expressed some reservations as to the wisdom of

affording privacy to private radio broadcasts it nevertheless felt compelled by the statute to conclude that private licensed radio broadcasts were entitled to privacy under Section 605. As a consequence the Court held that as to such licensed non-public broadcasts, the exclusionary rules apply to both private individuals and public officers save in connection with the Federal Communications Commission's necessary policing for a violation of the Act. The ~~Government~~ Court stressed that although the agents of the F.C.C. can do some monitoring of licensed broadcasts to make sure that the F.C.C. Act is not being violated because they are charged with the enforcement of the Act, nevertheless in connection with such policing the information could be used no further than to effect the policy of the Act by criminal prosecution thereunder or by the use of other appropriate procedures. This right to monitor does not give the F.C.C. the power to enter the field of criminal detection generally.

However, the Court went further and took note of the fact that most of the broadcasts listened to were made at a time when the operators of the station were unlicensed and hence, were not legally using the station. As to such non-licensed broadcasts the Court took a different view and held that there was no right of privacy and therefore no restrictions on who may listen to or use the information acquired as a result of monitoring these unlicensed broadcasts. The Court said at page 285:

> To throw a mantle of protection provided by Section 605 over an outlaw broadcast is to abandon reason. Therefore, we hold that as to private radio communications, before any right of privacy exists, the voice must be legally on the air; otherwise one who hears and especially the Federal Communications Commission may make full disclosure. Giving the one who broadcasts without authority any protection under Section 605 could not tend to protect the means of communication.
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> ... divulgence of the contents of unlicensed broadcasts is not prohibited by Section 605. ...

A close analysis of this case demonstrates the manifest soundness of its approach. The Court holds that licensed radio broadcasts are entitled to privacy under Section 605, but nevertheless the F.C.C. can monitor them for purposes of enforcing the Act and can divulge and use the information thus acquired where it is necessary for this purpose. This limited right does not carry with it the right to divulge for the purpose of criminal detection generally. Unlicensed radio broadcasts have no rights of privacy, however, and are not within the statute's protection. There are, therefore, no restrictions on who may monitor, or divulge, or who may use information acquired from an interception of such broadcasts. A condition precedent to the protection of Section 605 is lacking; namely, the authority to use the means of communication. No issues as to the scope or rights of the monitoring party to divulge are pertinent once the fact of unauthorized use is established. At this point the rights of the F.C.C. to monitor and divulge are no longer controlling on the issue of whether a motion of unlicensed radio operators to suppress should be denied. Such questions have pertinence only where a divulgence of licensed broadcasts is the issue.

The principles enumerated in the [redacted] case, supra, when applied to the case at bar, constitute a fitting answer to the myriad of arguments made by the defendants based on the plain language of Section 605, based on the clear holdings of the [redacted] cases, based on the concession that even if the telephone company had a right to monitor, it had no right to divulge to the Government, etc. The Court in the [redacted] case had both the [redacted] cases and the language of Section 605 before it. Nevertheless it felt compelled to hold that a reasonable construction of Section 605 in the light of its purpose (to protect the means of communication) precluded the extension of privacy to voices not lawfully on the air. The soundness of the case was made

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clear beyond question when it was affirmed by the United States Supreme Court, which no doubt was also cognizant of both the precedents urged by these defendants as well as the plain meaning of Section 605.

Therefore, this Court need not be concerned with problems as to what the telephone company's rights of divulgence were, assuming that it had a right to monitor. The right of the telephone company to monitor is inferable from the general purposes of Section 605, from the company's position as a common carrier subject to a high degree of regulation and charged with the duty to see to it that service is not rendered in violation of F.C.C. statutes, and from the company's position as a collector of the excise taxes owed the Government on long-distance telephone calls. This phase will be discussed in some detail infra. This right of monitoring extended to both legitimate and unlawful calls so long as the monitoring of legitimate calls was necessary to protect the integrity of its system and to discharge its statutory obligations. However, once unauthorized calls were found to which no rights of privacy could attach, the telephone company or anyone else that heard could divulge freely and without restrictions. Hence, it is plain that although the right of the telephone company to monitor and divulge to a limited extent furnishes a basis for holding that the initial monitoring of legitimate calls to ascertain the existence of unauthorized free service was proper; nevertheless, once unauthorized calls were found, the freedom to divulge as to such calls was in no way limited; applying the rule of the [redacted] case, supra, Section 605 has no application to them, and the right of divulgence no longer depended upon the monitoring rights of the telephone company. Moreover, since the Government has not used the substance of any legitimate calls as a basis for the charges here and does not contemplate using any such calls as evidence, the Court need not be concerned with deciding what the limits of the telephone

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company's rights are with regard to divulging authorized calls. This question is not relevant to the case, since it is the contention of the Government that there can be no limits on the divulgence of calls that have no protection under the Act, and it is only such calls that will be used as evidence in this case.

The defendant Mones seeks to distinguish the [redacted] case on the ground that there the Court regarded the defendant's unlicensed broadcast as a public rather than a private broadcast and further states that telephone conversations are directly within the statutory language. In spite of language in the opinion which indicates a belief that telephone conversations had more inherent privacy than radio broadcasts, there can be no question that what was there involved was a private radio broadcast which the Court regarded as protected by Section 605 if licensed. The language of the Court with relation to the limited nature of the rights of the F.C.C. with regard to licensed broadcasts is entirely incompatible with an interpretation which would read the holding of the case to be that the broadcast had no rights of privacy because it was essentially a public broadcast. The decision rested on a much broader ground, i.e., that to be entitled to any protection at all under Section 605, a voice must be legally on the air.

Nor can the [redacted] case be distinguished on the ground that it involved a radio broadcast and not a telephone. Whatever the differences may be in the nature of the two media of communication, the statute itself prohibits interception and divulgence of both radio and wire communications, and makes no distinction based on the nature of the communication intercepted. Furthermore, the provisions against interceptions and divulgence contained in Section 605 are based on earlier provisions which at one time related only to radio communications. See e.g. Section 27, Radio Act of 1927, 44 Stat. 1162, 1172 (P.L. 639),

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69th Congress, 2d Session 1927; see also Senate Report 772, 69th Congress, 1st Session 1926; 37 Stat. 307 (P.L. 264, sec. 19, 1912). This legislative history makes it clear that Congress could not have intended any distinction in the applicability of Section 605 based on the nature of the means of communication. Therefore, no distinction of the [redacted] case on the grounds that radio broadcasts were involved is permissible in view of the language of Section 605, and its origins in provisions relating to radio communications only. It should be pointed out that this ground of distinction urged by these defendants in effect would have the Court read into the statutory language a distinction not there present, and contradicts the approach they take throughout that the Court must rely only on the strict language of Section 605, and cannot go beyond that language to draw any implications from it.

It should be stressed that factually the case at bar is even stronger than the [redacted] case, supra. In the [redacted] case the defendants were using the station without authority only because of a delay caused by some technical defect in their license applications. They had attempted to comply with the licensing requirements, but had failed to do so, and hence were held to be unprotected by Section 605. The defendants in the present case secured their unauthorized, unlawful use by way of a scheme to corrupt telephone company employees and to defraud the telephone company of toll charges. If the fact of a failure to license is sufficient to bring a defendant outside the protections of Section 605, regardless of his good faith attempts to secure a license, it follows that these defendants must certainly be entitled to no rights of privacy under the statute.

Moreover, while the [redacted] case is a potent authority for the denial of these defendants' motions, it does not stand alone. In [redacted] v. United States, 191 F.2d 1 (9 Cir. 1951), reversed on other

grounds, 343 U.S. 808 (1952), certain defendants were convicted of operating a radio transmitter without a license. Their use of the transmitters was in connection with a scheme to get race results from the track and then to place bets with bookies after the races had been run. The Federal Communications Commission had received information from two amateur radio operators that they had heard voice signals dealing with horse-racing on a portion of the band reserved for Morse Code operation. Similar signals were picked up by a Coast Guard cutter and another amateur. In addition, the F.C.C., using mobile finding equipment, traced these voices and finally located the source of them at a hotel. The evidence of the radio conversations thus picked up was admitted by the trial court, and this was affirmed by the appellate court. In rejecting the claim that this was error, the Court said at page 4:

> Section 605 of the Act. ... which prohibits the interception and divulgence of communications without the consent or approval of the sender,. refers to communications over licensed facilities. The appellants were unlicensed operators transmitting voice messages over an unlicensed station without call letters, on a portion of the band reserved for Morse Code operations. The protections of the Act were never intended for, nor do they cover such communications which are themselves illegal.

For the same reasons discussed above with regard to the [redacted] case, supra, this case is also not distinguishable on the grounds that what was involved was a radio communication and not a telephone call. The statute is equally applicable or inapplicable, as the case may be, to both.

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Another case that lends support to the view that Section 605 was not meant to apply to these defendants is State v. [redacted] 142 A. 2d 609 (Sup. Ct. N.J. 1958). In this case certain defendants were engaged in a scheme to steal property from an employer's plant and to ship it

outside of the plant to other defendants. One of the conspirators testified for the state as to conversations had with the defendants concerning the delivery of the loot and the payment of the witness. These calls were made over the telephone facilities of the defrauded employer, by the witness, who was then an employee. They were placed through the plant switchboard. The sole issue here was whether the trial court erred in admitting the testimony of a switchboard operator who testified as to what she heard in listening in on such calls in corroboration of the witness. The suspicions of this operator had been aroused in the first instance by the furtive nature of the calls, and she reported them to her employer after overhearing one or two. Her employer approved her course of conduct in listening in.

The Court held that it was not necessary to reach the issue of whether the commission of a crime in the courtroom should have been countenanced since the facts here showed neither a violation of federal nor state law. The Court, relying on the [redacted] case, 355 U.S. 107 (1957), for the proposition that a statute should be construed so as to achieve the intent of the legislature, said at pp. 611-12:

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> We find it difficult to believe that Congress intended to assure privacy to conspirators brazenly employing a subscriber's facilities to pillage him. Congress could hardly have intended a sanctuary for criminals within the home or plant of their victim.
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> We appreciate, of course, that the privacy the statute gives lawbreakers is the unavoidable incident of a larger purpose to assure privacy for the great body of decent citizens. . . . (I)n seeking the ambit of the act our emphasis is upon the fundamental right to defend one's person and property. The question is whether Congress intended to denounce the reasonable and normal actions of a man in monitoring his own lines to protect himself from others who use his lines without his authority in an effort to injure him. We think the answer is clear.

The Court therefore held that the Company and its agent were entitled to monitor the company's own facilities to protect the company

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against alleged unlawful activities. One who uses another's telephone to plunder him must be deemed to have assumed the risk of detection.

Because this is a state case, evidence would not have been inadmissible in the state court under the ruling in [redacted] v. Texas, 344 U.S. 199 (1952), even if the Court had found a violation of Section 605 on the aforementioned facts. Nevertheless, this opinion did not turn on a narrow ground that would confine its applicability to state cases. Instead it was grounded upon an interpretation of the broad underlying policies of Section 605. This is made manifestly clear by its reliance upon [redacted] for the view that a statute should not be invoked in defiance of the common sense of a situation. This view and this Court's language are well suited to the facts of the case at bar. In the case at bar the argument that there has been no violation of Section 605 on the facts here is further strengthened by the fact that the property owner who monitored here, i.e., the telephone company, had not only the rights of property owners in general to protect their property, but also the additional rights arising from its unique status as a regulated common carrier burdened with responsibilities to the Federal Government. If an ordinary property owner has the right to monitor his own lines to protect his property from theft a fortiori it follows that the telephone company, which has the obligation to collect the 10 per cent excise tax on long-distance calls due the Government, and the duty to make sure that free service is not given in violation of federal statutes, cannot be deemed to lack these rights. If the statute is not to be read in defiance of the common sense of a situation, then it is plain that even more so than on the [redacted] facts, these facts cannot constitute a violation of Section 605. Congress certainly could not have intended to protect these defendants, who were using the facilities of the telephone company without authority,

from the detection of their activities by the telephone company, utilizing the only means effective toward this end. These defendants must also be deemed to have assumed the risk of detection when they schemed to defraud the telephone company out of its toll charges and the honest services of its employees.

These defendants make much of the fact that the statute itself does not make any exceptions to its coverage in favor of the telephone company, and further argue that th[redacted] cases make clear that this plain language entitles them to the protections of Section 605, which admits of no exceptions. They also seek to raise various types of limping analogies to show that a holding favorable to the Government here would open the door to wholesale perversions of the congressional purpose by the simple expedient of having the telephone company do the monitoring for Government agencies, or other carriers doing business with the telephone companies. They speculate on the possible use of this right to detect and fire employees who are stealing other types of property such as copper wire from a warehouse, etc. They talk of the incongruity of saying that Section 605 does not apply where you betray the telephone company, whereas it prevents the prosecution of those who betray the national interest.

Such arguments again display the same tendency of these defendants to resort to hypothetical facts which has heretofore been discussed; whereas the Government's argument in support of the monitoring rights of the telephone company is based upon a combination of factors which give rise to these rights, the defendants attempt to isolate a single factor and proceed to conjure up a situation where this factor alone is present and argue that Section 605 must be applicable here or else it would follow that Section 605 would also be

inapplicable on this imaginary set of facts. For example, they argue that if the telephone company can monitor to detect disloyal employees or to protect its property from theft, then the Court must also extend this right to the situation where the monitoring is done to prevent a warehouse theft. These analogies conveniently lose sight of the fact that in the case at bar the particular type of theft and disloyalty involved caused a violation of F.C.C. statutes regarding discriminations in service, and an interference with the collection of the 10 per cent long-distance telephone tax, as well as the lack of standing in these defendants which has heretofore been discussed.

These attempts to induce the Court to decide this case on facts other than those before the Court make it necessary to again briefly summarize what the contentions of the Government are with regard to the telephone company's rights to monitor, and what the factors are here which require that these rights be recognized in this case. It should be emphasized that because this combination of factors gives rise to the necessity for inferring these rights on these facts it does not follow that the telephone company will have similar rights where any of these factors might be absent or where the facts are not the same. Hence, analogies are useless for purposes of deciding these motions.

With regard to the telephone company's monitoring rights, it is the contention of the Government that these rights are inferable from a combination of facts and circumstances such as the general purposes of Section 605; the clearly defined statutory prohibitions set forth in the Federal Communications Act against rate discriminations among subscribers and free telephone service; the unique position of the telephone company as a common carrier, subject to extensive regulation under the F.C.C. Act and charged with a high degree of

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responsibility for making certain that telephone service is not rendered contrary to such statutes; the recognized right of the telephone companies to regulate the use to which subscribers may put telephone facilities, and the position of the telephone company as a collector and accounter to the Government of the 10 per cent excise tax on long-distance telephone calls imposed by 26 U.S.C. Sec. 4251. A consideration of all these factors necessitates a finding that the telephone company had the right to monitor based upon the facts of this case. Monitoring was commenced based upon information from a reliable informant that free, unauthorized long-distance telephone service was being furnished by its employees; soon after the fact of this information was verified with the result that the employees were located and discharged, and the facts upon which this prosecution is based were discovered.

The general purpose of Section 605 is to protect the means of communication, not the secrecy of conversation. See [redacted] v. United States, 316 U.S. 129, 133 (1942). It is clear, therefore, that the right of privacy which is afforded by Section 605 is provided because this privacy is deemed essential to protect the integrity of telephone and telegraph systems from interference. As the Court said in the [redacted] case, 355 U.S. 96, 100 (1957), ". . . the statute created a prohibition against any persons violating the integrity of a system of telephonic communication. . . ." In view of this general purpose it would be highly unlikely that Congress intended that Section 605 should preclude the telephone company from pursuing the only effective means of protecting the integrity of that system from theft. As the [redacted] case, supra, pointed out, the ordinary property owner does not run afoul of Section 605 by taking the reasonable steps necessary to protect his property from the theft of one who used his

own facilities to pillage him. The telephone company's right would of necessity rest on a much firmer ground in view of the fact that it not only owns the facilities but also it is the party intended to be protected in the integrity of its system by Section 605. These defendants in effect request this Court to hold that Section 605, which intended to protect telephone systems, prevents telephone companies from acting to protect that system from unauthorized use. The absurdity of this contention is self-evident.

However, in addition to the general purposes of Section 605, the position of telephone companies with regard to the Federal Communications Act and the Federal Communications Commission is also highly significant. The telephone companies are regulated extensively as to matters such as rates, earnings, operating expenses, the evaluation of assets, the duty to cooperate with the Federal Communications Commission, the internal business transactions of the company, etc. See e.g. 47 U.S.C. Sections 203, 205, 213, 215, 219.

From this careful regulation it follows that telephone companies must be allowed facilities commensurate with the obligations they bear as regulated carriers under the Act. In line with this thinking telephone companies have been permitted to regulate the use of their facilities by its subscribers. See e.g. Ambassader Inc. v. United States, 325 U.S. 317 (1945); Southwestern Bell Telephone Co. v. Dialite Dial Co., 102 F. Supp 872 (W.D. Okla. 1951); Hush-a-Phone Corp. v. United States, 238 F.2d 266 (D.C. Cir. 1956).

Furthermore, the provisions of the Federal Communications Act express a strong prohibition against discriminations in rates among subscribers and prohibit free telephone service except in certain specified cases, and not covering the activities of the defendants herein.

Section 202 provides:

(a) It shall be unlawful for any common carrier to make any unjust or unreasonable discrimination in charges, practices, classifications, regulations, facilities, or services for or in connection with like communication service, directly or indirectly, by any means or device, or to make or give any undue or unreasonable preference or advantage to any particular person, class of persons, or locality, or to subject any particular person, class of persons, or locality to any undue or unreasonable prejudice or disadvantage.

* * *

(c) Any carrier who knowingly violates the provisions of this section shall forfeit to the United States the sum of $500 for each such offense and $25 for each and every day of the continuance of such offense.

Section 203 provides:

* * *

(c) No carrier, unless otherwise provided by or under authority of this chapter, shall engage or participate in such communication unless schedules have been filed and published in accordance with the provisions of this chapter and with the regulations made thereunder; and no carrier shall (1) charge, demand, collect, or receive a greater or less or different compensation for such communication, or for any service in connection therewith, between the points named in any such schedule than the charges specified in the schedule then in effect, or (2) refund or remit by any means or device any portion of the charges so specified, or (3) extend to any person any privileges or facilities in such communication, or employ or enforce any classifications, regulations, or practices affecting such charges, except as specified in such schedule.

* * *

(e) In case of failure or refusal on the part of any carrier to comply with the provisions of this section or of any regulation or order made by the Commission thereunder, such carrier shall forfeit to the United States the sum of $500 for each such offense, and $25 for each and every day of the continuance of such offense.

Section 210 provides:

(a) Nothing in this chapter or in any other provision of law shall be construed to prohibit common carriers from issuing or giving franks to

or exchanging franks with each other for the use of, their officers, agents, employees, and their families, or, subject to such rules as the Commission may prescribe, from issuing, giving, or exchanging franks and passes to or with other common carriers not subject to the provisions of this chapter, for the use of their officers, agents, employees, and their families. The term "employees," as used in this section, shall include furloughed, pensioned, and superannuated employees.

(b) Nothing in this chapter or in any other provision of law shall be construed to prohibit common carriers from rendering to any agency of the Government free service in connection with the preparation for the national defense: PROVIDED, That such free service may be rendered only in accordance with such rules and regulations as the Commission may prescribe therefor.

Section 210 contains no penalty provisions and violations would come under 202, or 203(c) if free service is regarded as a rebate or a discrimination in charges; if it is regarded as something separate and distinct it might be subject to the fine and imprisonment provisions of the general penalty section, Sec. 501. In any event these penalties indicate the strength of this prohibition.

Moreover, the cases under similar provisions relating to discriminations in rates and free service in connection with railroad service, clearly manifest that violations of such provisions have been the subject of criminal prosecutions. See e.g. [redacted] v. United States, 150 F.2d 82 (5 Cir. 1945) (prosecution for conspiracy to violate the I.C.C. Act sustained where facts showed that ticket sellers agreed to sell railroad tickets at a price in excess of fares permissible under the prevailing tariffs), aff'd 328 U.S. 189 (1946); United States v. [redacted] 164 Fed. 75 (W.D. Mo. W.D. 1908) (conspiracy prosecution for causing free railroad passes to issue to persons not entitled to them under the provisions of the Hepburn Act). These provisions therefore impose a heavy burden on the carriers to see to it that service is not rendered in violation of these statutes. An employee could violate these free service statutes

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without the knowledge of the telephone company, see [redacted] v. United States, supra; however, where, as on the facts here, the telephone company gets information that an employee is rendering service in violation of these statutes, if the company were to do nothing to prevent its continuance, a situation could well be reached where the company could become a party to the violation. When the facts are viewed from this perspective it becomes apparent that not only was there a right to monitor on these facts, but also there was a duty to monitor where monitoring was the only effective means to curtail the unlawful activities of the employees.

The legality of the procedure followed by the telephone companies in this case becomes overwhelmingly clear when the further factor of the telephone company's status as a collector of the 10% tax on long-distance telephone calls is taken into consideration. Although the tax is imposed upon the person paying for the telephone facilities, nevertheless, the telephone company is charged with the responsibility for collecting the tax, separating it out from toll revenues, accounting for it, and paying it over to the United States Internal Revenue Service. An argument is made by the defendants in their reply memorandum to the effect that the tax is really on the telephone company, citing a Louisiana state case that does not even remotely relate to this proposition. See State ex. rel. [redacted] v. Standard Oil Company, 162 So. 185, 168 So. 772 (S. Ct. La., 1935, 1936) (case deals with whether Louisiana kerosene tax provisions applied to tractor fuel). The clear language of 26 U.S.C. Sec. 4251 refutes such a contention. This statute provides:

> There is hereby imposed on amounts paid for the communication services or facilities enumerated in the following table a tax equal to the percent of the amount so paid as is specified in such table:

Taxable Service	Rate of tax Percent
. . . .	
Long distance telephone service	10
. . . .	

The taxes imposed by this section shall be paid by the person paying for the services or facilities.

However, although the telephone company is not liable for the tax, nevertheless it must see to it that the tax is paid on all types of service that are not exempt from a liability for the tax. The company cannot deprive the Government of the tax by granting exemptions to individuals who are not of a class exempt by law. If it were to pursue such a course of action it would in all probability be liable for the loss of taxes caused by its granting of an unauthorized exemption. The authorized exemptions provided for in Sec. 4253 include news services, certain international organizations, servicemen in a combat zone, certain types of special wire service, and coin operated telephones, and the telephone company cannot add to them.

The defendants in this case, however, were not of the class entitled to be exempt. A tax should therefore have been paid on the calls they made. The only reason that no tax was paid was because the telephone company was not aware of them and could not bill for them. No liability on the part of the telephone company could arise with relation to its failure to collect this tax so long as it was unaware of the free telephone service that was being given, but once the company became aware, as was the case here, it was duty bound to act to prevent a continuing loss of revenue to the Government as a consequence of the rendering of service both toll and tax free to those not entitled thereto. A failure to act would have been an acquiescence to the fraud on the Government, and could very well have rendered the

company liable for its failure to discharge its obligation to collect the tax. Faced with the two-fold prospect of an advertent violation of federal statutes regarding free telephone service and an advertent dereliction in its duty to collect the 10% long-distance telephone tax, it is submitted that the telephone company not only had the right, but was duty bound to monitor where monitoring was the only effective means to discharge its obligations. By no reasonable stretch of the language of Sec. 605 can it be deemed to make criminal the actions of the telephone company in seeking to discharge its obligations under federal law.

From what has been said it follows that these monitoring rights extend to both authorized and unauthorized calls. Just as the F.C.C. can monitor both licensed and unlicensed broadcasts, see [redacted] supra, so too can the telephone company do likewise when it acts in place of the F.C.C. for the purpose of discharging its obligation to see to it that service is rendered only in compliance with the mandates of federal law. The rights of divulgence it possesses will depend largely upon what is learned. If only authorized calls are found, then divulgence can be only for the purposes of effectuating the purposes of the Act by the discharge of the aforementioned statutory obligations; if, as here, unauthorized calls are found, then there are no limits on the company's divulgence rights because such calls are outside the protections of Sec. 605, and are therefore entitled to no privacy rights.

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It also follows from what has been said that the same considerations that apply on these facts will not necessarily apply where another type of property theft is involved. If copper wire, or tools, etc. are stolen the statutory prohibitions against free service and the duties imposed with regard to the collection of the long-distance 10% telephone call tax, will not come into play at all. Yet these are potent factors which give rise to the inference that the telephone

company had a right and a duty to monitor on the facts of this case. Nor will the same rights be present where other carriers doing business with the telephone company are involved. It is the unique interest of the telephone company in the type of property stolen here that justifies its monitoring rights. The tolerating of unauthorized free service not only violates the integrity of those systems of telephonic communications which it was the object of Sec. 605 to protect, but also it causes a violation of federal statutes regarding free service and discriminations in service; it further causes the company to be derelict in its duty to collect the 10% long-distance call excise tax.

No such monitoring could be done to suit the purposes of any other party, be they private parties, other common carriers, or Government agencies, unless the monitoring were necessary to promote the purposes of the Communications Act; the situations in which this would be the case are limited and well confined.

Therefore, there is no merit to the defendants' argument that a decision adverse to the defendants in this case will necessarily open the floodgates to wholesale violations of Sec. 605 on a wide range of substantially dissimilar facts. The very nature of the Government's argument here makes this abundantly clear. Nor is there any validity to emotional appeals to the Court that there are no exceptions to Sec. 605 if you betray the nation, but there are exceptions to Sec. 605 if you betray the telephone company out of tolls. The same argument could be made with respect to the fact that exceptions should not have been made with respect to the F.C.C. in the [redacted] case because they were not allowed with respect to the F.B.I. in Internal Security cases, yet [redacted] held that the F.C.C. had monitoring rights. The basic fallacy in such arguments is that they fail to see that monitoring rights can be afforded to the telephone company or the F.C.C. because

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Sec. 605 was designed to protect the means of communication, and it is therefore a reasonable reading of the Act to permit monitoring rights which tend to effectuate that purpose.

Furthermore, these arguments as well as the argument based on the fact that Sec. 605 protects lawbreakers as well as law-abiding citizens, confuse the subsequent use made of a facility lawfully used with the unauthorized use of a facility in the first instance. It is true that if a criminal uses a telephone that he is rightfully entitled to use (having paid the tolls, or obtained the permission of the subscriber), places a call utilizing the normal means of communication for senders generally, and permits a record to be made by the telephone company of the fact of his call, then he is protected by Sec. 605 even though he utilizes the telephone to conduct illegal activity. Nevertheless, if one places a call through means not available to senders and outside the course of regular channels generally and on which no tolls can be charged because no records are made, then that call is not protected regardless of whether it is used to conduct criminal activity or not. The right to the privacy afforded by Sec. 605 depends upon one's right to be on the lines initially and not upon subsequent use. No right to initial use can be found on the facts of this case, not because the stolen service was used for gambling, but because the calls were placed outside of normal channels by employees having no authority to make them and were made by prior devious arrangements without the payment of toll charges.

The defendants make much of the fact that the plain language of Sec. 605 and the holdings in the [redacted] cases prohibit any implied exceptions from being made. The [redacted] case, 302 U.S. 379 (1937), however, did not reach the issue raised by the facts of this case. In that case the issue was whether wiretaps made by federal

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agents of messages, transmitted by senders lawfully on the lines, were subject to the prohibitions of Sec. 605. In the context of this issue, the Court held that Sec. 605 did not permit an exception to be made in favor of federal officials. There was no question that the defendants in that case had standing; there was no issue raised as to the reasonableness of applying Sec. 605 in favor of a person not lawfully on the lines. Hence, it cannot be said that the language [redacted] made in the context of its own facts and on the issues therein presented, could be deemed to cover the present case in which there is an essential distinction in the standing of these defendants.

Moreover, it should be kept in mind that the plain language of Sec. 605 and the decision in the [redacted] case, have not prevented the Supreme Court from reading into the statute implied exceptions where they were necessary to a reasonable reading of the Act. For example, in [redacted] v. United States, 316 U.S. 114 (1942), it was held that one not a party to a conversation could not object to testimony which resulted from another's having been induced to testify by virtue of a violation of Sec. 605. This result was not affected by the fact that [redacted] v. United States, 308 U.S. 321 (1939) had held that the testimony of a sender induced by the use of wiretaps was not a consent to divulgence within the meaning of Sec. 605. There was therefore no consent to divulgence in this case. The Court based its holding upon the fact that since the consent of the sender could make divulgence lawful, only the sender was intended to be protected by the Act. However, the statute expresses a flat prohibition without the consent of the sender and makes no exceptions based on the position of the party objecting. However, a reasonable construction of the statute requires such a reading. Similarly, on the facts of this case a reasonable reading requires a holding that Sec. 605 could not have been intended to protect persons using long-distance

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telephone facilities without authority; therefore, these defendants have no more standing to object to the use of interceptions of such unauthorized calls than is the case with persons not parties to conversations intercepted in violation of Sec. 605. The general purposes of Sec. 605 provide a sufficient basis for denying these defendants' standing.

Similarly, in [redacted] v. Texas, supra, it was held that the language of Sec. 605 did not preclude the use of evidence secured in violation of Sec. 605 in a state court. The language of Sec. 605 does not make any distinctions between divulgence in a state or federal court, but rather it states a flat prohibition against all divulgences. The Court here felt that, nevertheless, a reasonable reading of Sec. 605, giving due regard to the balance of state and federal power, dictated that it not be read so as to interfere with a state rule of evidence. This case makes clear that the language of Sec. 605 must be read with due regard to the factual context of a particular case if Sec. 605 is to be applied within reasonable limits. More than its language must be looked to; the congressional purposes, and the effect of the statutes application on a given set of facts must also be considered; it cannot be utilized therefore in a case similar to the one at bar, where the result of its application will be a frustration of these purposes and an abandonment of reason. See also, United States v. [redacted] 123 F. 2d 229 (2 Cir. 1941) where the Court held that the recording of the fact of a call between two telephones by the telephone company was not an unauthorized interception in violation of Sec. 605.

Nor does the [redacted] case aid these defendants. In that case the Court was again concerned only with a situation where calls placed by senders lawfully on the lines were intercepted by state police officers acting under the authority of a New York statute which permitted wiretapping upon a court order. The Court held that regardless of this

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state statute the evidence was inadmissible in a federal court. No issue was raised in [redacted] any more than in [redacted] as to the standing of the senders in that case, yet it is precisely this issue which is the crux of the problem in this case. Therefore, the holding in [redacted] being on a ground not pertinent here, that case cannot be deemed to be persuasive in view of this essential factual distinction.

Moreover, the defendant Nones has misread the reliance placed by United States v. [redacted] 146 F. Supp. 293 (S.D.N.Y. 1956), aff'd 247 F. 2d 860 (2 Cir. 1957), upon United States v [redacted] 244 F. 2d 389 (2 Cir. 1957), which was reversed by the Supreme Court, 355 U.S. 96 (1957). The [redacted] case relied on [redacted] only for the proposition that in spite of the provisions of the New York state law, interceptions and divulgences authorized by such provisions, were nonetheless federal crimes; in cases of conflict state not federal laws must give way. In the [redacted] case, the defendant attempted to defeat a prosecution for violating Sec. 605 on the theory that Sec. 605 constituted an undue interference with the powers of the states. This aspect of [redacted] was concurred in by the Supreme Court, but the case was reversed because the lower court did not apply this principle so as to exclude the evidence obtained pursuant to the New York statutory provisions from the federal courts.

The attempted reliance by the defendant Nones upon the [redacted] case, 185 F. 2d 629 (2 Cir. 1950), is also misplaced. In this case, while it is true that there were taps on her office telephone in order to detect her disloyal activities, there were also taps on telephones in her residences in Brooklyn and Washington, D. C. No attempt was made to distinguish these taps and no issue was raised as to any possible distinctions based upon her lack of proprietary interest in her office telephone. The decision in this case rested upon the ground that the defendant's inquiry into determining whether any leads were obtained by wiretapping was blocked by the

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trial judge and that she was thereby prejudiced. Furthermore, that defendant was at least presumptively entitled to use her office telephone albeit that the subsequent use for disloyal activities was an abuse of this privilege. This is not true of the use made of the stolen telephone service by the defendants in this case.

Some reliance is also placed by these defendants upon certain language in United States v. [redacted] 112 F. 2d 888 (2 Cir. 1940), where a great stress is placed upon the breach of privacy as the important element in construing the scope of Sec. 605, i.e., the intervention of a party as a listener to whom the communicants do not consent is what matters, not the means by which this is achieved. However, this view has lost vitality over the years and is no longer supportable by the great weight of authority. The Supreme Court has held that where police officers listen in on an extension telephone with the consent of one of the parties, there is no violation of Sec. 605. See, [redacted] v. United States, supra. Similarly, this circuit has recently considered the same language cited in this case as well as the greater authority against it, and has concluded that Sec. 605 did not bar evidence obtained by the attachment of a recording device to the earpiece of the telephone of one of the parties with his consent. [redacted] v. United States, Case No. 18421, _____ F. 2d _____ (5 Cir. Oct. 20, 1961).

Thus it is clear that this language in [redacted] s no longer controlling. It is the nature of the intervention, not the mere fact of an intervention without the consent of one of the parties that is presently regarded as the significant element.

The defendants make repeated mention of the strict construction rule with regard to criminal statutes in general. However, the strict construction rules applicable to criminal cases generally are based upon the assumption that before one can be punished for a crime, the

limits of the alleged criminal conduct must be clearly defined by the criminal statute and cannot be broadened by implication. Resort to these strict construction rules with regard to the applicability of Sec. 605 to the activity of the telephone company in this case makes it clear beyond question that a reasonable reading of Sec. 605 negates a finding of criminal activity on these facts. The telephone company here acted to protect the integrity of its system and to discharge the obligations imposed upon it by federal law which have heretofore been discussed. The telephone company was faced with the prospect of achieving some reconciliation between the obligations it had as a common carrier and as a collector of taxes for the Government and the prohibitions of Sec. 605 which ordinarily prevent interception and divulgence of calls. As a consequence, the company performed its duty on the assumption that Sec. 605 would not be violated on these facts. To find that this reasonable conduct rendered the company and its employees criminally liable for the substantive crime denounced by Sec. 605 is as unreasonable as a finding that a secretary who listens on an extension telephone at the request of her employer becomes subject to the penalties of 47 U.S.C. Sec. 501. The Supreme Court regarded the latter situation as an unreasonable extension of the scope of Sec. 605. See [redacted] v. United States, supra; it follows that the telephone company's activity in this case did not constitute a criminal violation of the statute when considered in the light of the canons of strict construction urged by these defendants. There being no substantive crime on the part of the telephone company, there is no basis for the exclusion of any evidence thereby obtained.

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These defendants also concentrate heavily on the argument of the Government that the monitoring employees in this case were persons "aiding or assisting" in the transmission of messages. It should be noted that this argument constitutes a relatively minor aspect of the

Government's contentions in this case, and whether or not this Court accepts the Government's interpretation of this clause of Sec. 605, there is ample basis for holding Sec. 605 inapplicable here based upon the fact that Sec. 605 affords no protection to these defendants and the fact that the telephone company had monitoring rights that rendered its monitoring activity lawful. That these arguments constitute the principal contentions of the Government is apparent from the Government's previous memorandum; but perhaps the defendants choose to concentrate on this subsidiary argument with the hope that the force of the Government's argument with respect to their lack of standing might be minimized by this technique. However, in view of these attacks, a brief statement of the nature of the Government's argument based on the "transmission" language as well as some comments on objections made by the defendants should be made.

With regard to the first clause of Sec. 605, the Government contends that the clause is not limited to the operators who directly transmit the messages but extends as well to individuals who perform functions that are closely related to the efficient transmission of messages. The argument with respect to the assistant chief operators is predicated upon the fact that their duties normally called upon them to monitor the work of operators and trainee operators engaged in the direct transmission of messages, for the purpose of determining the quality and efficiency of their work. Therefore the function of these assistant chief operators was essential to the efficient transmission of messages and as a consequence must be deemed to be within the coverage of the first clause of Sec. 605. With regard to the other employees that monitored, the argument that this first clause of Sec. 605 applies to them is predicated upon the ~~fact~~ that their monitoring was necessary to make certain that long-distance telephone service was provided in

compliance with the mandates of federal law. The purpose of their monitoring was to protect the integrity of the telephone system. In view of the position of the telephone company as a regulated carrier, possessed of substantial powers and responsibilities, it is clear that the protection of the integrity of the telephone system is so essential to the proper functioning of the transmission process that the lawful activities of telephone company employees in seeking to achieve this protection, must be deemed to have a sufficient connection with the transmission process so as to come within the language of the first clause of Sec. 605.

It is, therefore, no objection that the assistant chief operators did not directly assist in the placing of the calls, but rather monitored to determine if unauthorized calls were being placed. The Government's contention is that the first clause of Sec. 605 is not limited to the operator who directly places a call, but includes those whose activity is necessary to the effective, efficient and non-discriminatory handling of the transmission process. It should be pointed out that this clause of Sec. 605 has never been construed with regard to what persons are covered within its aiding or assisting the transmission of calls language. It is therefore, a question open to this Court.

In any event the construction of this clause is not vital to the Government's case. The lack of standing in these defendants to object to a monitoring of unauthorized calls and the monitoring rights of the telephone company which have heretofore been discussed, furnish an ample basis for the denial of these motions irrespective of whether or not this Court accepts the Government's construction of this first clause of Sec. 605.

Before concluding a word should be said about some palpable errors which appear in the defendant's reply brief, in connection with a reading of the first clause of Sec. 605. In the first place, in

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discussing the "demand of lawful authority" language of this first clause at p. 15 of the reply brief, reference is made to the fact that in the [redacted] case the authority of the Attorney General was regarded as insufficient. The [redacted] case did not arise under the first clause of Sec. 605 because no monitoring was done by any persons engaged in aiding or assisting the transmission of messages. It was rather a case which dealt with the second clause of Sec. 605 and hence has no value insofar as interpreting the language of clause one either as to its transmission language or its demand of lawful authority language. Furthermore, the fact that the demand of lawful authority language immediately follows language stating that divulgence can be had pursuant to a subpoena issued by a court of competent jurisdiction makes it clear that this language refers to a demand in the nature of judicial process such as an administrative subpoena. See [redacted] 91 F. 2d 700 (5 Cir. 1937). The prior authorization of the Attorney General in the [redacted] case was not of this type and would in all probability not have come within the scope of this language; therefore, the Coplon case is inapposite on an additional ground.

In addition, at p. 18, the defendants seem to be urging that the transmitter language of clause one of Sec. 605 refers to the person who spoke the words and placed the calls. This equation of "sender" with "transmitter" is an absurd construction of the language of Sec. 605 as a whole; it requires no comment here to refute such a contention; a simple reading of Sec. 605 will make the error of this construction clear. Furthermore, it is contradicted in other parts of the defendant's reply brief wherein the defendants make arguments to the effect that this language refers only to operators who directly place calls covered by Sec. 605 as an incident to their primary function and not by design or otherwise (pp. 8-9). These blatant errors are illustrative of the

tendency of the defendants' lengthy reply brief to distort, misunderstand, and misconstrue the facts, the applicable precedents, and the Government's contentions in the case at bar.

There being no violation of Sec. 605 on the facts of this case because of the defendant's unauthorized and unlawful use of telephone company facilities, and because of the telephone company's monitoring rights, the motions made by these defendants for suppression and/or dismissal based upon an alleged violation of Sec. 605, should in all respects be denied. The arguments made by the Government are also dispositive of the newly made motions to dismiss on the grounds that there was illegal evidence before the Grand Jury; on the facts of this case, these motions add nothing to previously made motions to dismiss on the grounds that the charge may not be lawfully proved.

Respectfully submitted,

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FOR THE GOVERNMENT

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF LOUISIANA

UNITED STATES OF AMERICA

v.

[redacted] et al.

Defendants

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GOVERNMENT'S SUPPLEMENTAL MEMORANDUM IN OPPOSITION TO MOTIONS FILED BY THE DEFENDANT MONES

The great majority of the legal issues raised by the defendants in their various motions have already been answered in a previous memorandum. However, subsequent to the filing of the Government's memorandum in opposition, the defendant Alfred Mones filed a memorandum in support of motions previously made which raised several new issues. As a consequence, this memorandum has been prepared as a supplement to the memorandum heretofore filed. Any points raised by the defendant, Mones, with regard to the motions to suppress will be discussed in a separate supplemental memorandum along with the Government's replies to the contentions made by the other defendants as to this phase of the case.

1. The Motions to Dismiss

A. The Conspiracy Count

The defendant Mones raises an issue as to the applicability of 18 U.S.C. section 371 to the facts of this case as alleged in the indictment. While it is not entirely clear, it seems that the objection made is predicated upon the assumption that the defraud language of section 371 is limited to cases where there is a rather direct connection between the facts alleged and the federal function allegedly impaired. It appears that the contention is that there must be the corruption or complicity of some federal official, the filing of a false statement to a government agency, the corruption of one closely associated with the Government (as in cost-plus contract cases, etc.), and other acts having an inherent tendency to directly impair and obstruct, before a conspiracy to defraud the United States can be made out. While it is true that the majority of cases involve such fact situations, there have been a sufficient number of cases where the relationship between acts alleged and function impaired has been more indirect to indicate that this objection goes not to the scope of section 371 as a legal requirement, but rather concerns essentially a question of trial proof. Where the connection is more direct the inference of intent to defraud is more readily inferred. Where it is more indirect, more proof may be needed to characterize the acts as done with the requisite intent.

For example, in United States v. [redacted] 135 Fed. 392 (D.N.J. 1905), the defendants were charged with conspiring to defraud the United States by seeking to deceive the government inspectors into

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approving certain life preservers as complying with a government regulation requiring that they contain six pounds of good cork when in fact they did not comply, because the defendants had inserted a half pound block of iron in the cork that they sold to the company which manufactured the preservers. The defendants demurred on the ground that the United States could not be defrauded because the preservers were not made for or sold to the United States, but rather the preservers made from the defendant's cork were sold to a private corporation. The facts alleged showed that the defendant had been told by his vendee that his blocks should be made heavier so that they would pass inspection. The defendants had notice of what the blocks would be used for. The Court held that the evident purpose for the insertion of the block of iron was to deceive the inspectors into approving the preservers, and that the indictment sufficiently alleged a conspiracy to defraud.

This case well illustrates that a direct relationship is not necessary as long as the facts to be proved will sustain the inference of an intent to defraud. Here the acts of the defendants were more directly aimed at defrauding their immediate vendee, the life preserver manufacturers, who would sell to the shipowners who would in turn submit them for inspection. The defendants' acts were several times removed from the inspection but when those acts were considered in relation to an awareness of possible use a good case of defraud was made out.

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Similarly in [redacted] v. United States, 208 F. 2d 583 (9 Cir. 1953), a conspiracy to defraud count was sustained on facts showing no complicity of federal officials or acts of direct impairment. In that case the impairment was achieved by concealment of persons dealing with the defendants and amounts wagered via the use of codes, destroying records, etc. The distinction of this case urged by the defendant Mones based upon the destruction of records, the keeping of false records, etc., lacks substance if it is taken to mean that these acts constituted a more direct impairment than the concealment of telephone activity. The relation between acts performed and impairment was no more direct than in this case, assuming that it can be proved as it is alleged that the concealment of the telephone activity was done with the requisite intent of obstructing the treasury. That the key issue is the inference of intent from the facts alleged and that in [redacted] the acts alleged did not of their very nature tend to more directly impair the governmental function is amply demonstrated by the fact that in [redacted] a similar contention to that made here was raised; i.e., that the concealment and destruction of records were not aimed at the federal government. The Court treated the question as one of whether the requisite intent could be drawn from the facts by a jury, and concluded that the jury's verdict was sustainable by the evidence.

In United States v. [redacted] 124 F. Supp. 807 (S.D.N.Y. 1952), aff'd. sub nom., United States v. [redacted] 216 F.2d 739 (2 Cir. 1954), it was held that an indictment for conspiracy to defraud and to commit offenses was sustainable on facts showing a scheme to sell gold without

a proper license. The appellate court there said that there being evidence of trickery with regard to the way in which the defendant's transactions were reflected in his records, a conspiracy to defraud was sustainable. The relationship between the acts performed and the alleged impairment was at least as indirect in that case as it is here. See also United States v. [redacted] 151 F.2d 661 (2 Cir. 1945), where a defendant was convicted of a conspiracy to defraud the United States and to commit offenses based on facts showing that there was an attempted transfer of a bank account and securities of Belgian and French nationals, which properties had been frozen by an Executive Order and could not be legally transferred without a license from the Secretary of the Treasury.

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A consideration of these cases makes it plain that what the defendant Mones would make a legal requisite is but a factor bearing on the proof of the requisite intent to defraud. The indictment here alleges that the concealment of long distance telephone activity was with this requisite intent, and whether this will be proved at the trial cannot be determined at this phase of the case. Assuming that the facts be proved the indictment unquestionably states an offense within the defraud language of section 371. Moreover, there is no merit in the contention that deceit and trickery of the type necessary is not present here. The pattern of conduct and the means used to defraud clearly involve stealth, deceit, and dishonest means.

To state that the facts alleged here amount to nothing more than a failure to deposit a coin after calls have been made or a failure to pay a bill is to palpably misread the indictment. The

charge here is that by virtue of the fraudulent scheme no record of the calls was made with the result that the collection of the gambling and long distance excise taxes was obstructed. A mere failure to pay a phone bill would not prevent a record from being made, and it was the prevention of such a record that was the means by which the obstruction charged here was accomplished. Nor is there any pertinence to the argument that the government's position here is that a purely local scheme of stealing telephone service is without more an obstruction of the functions of the United States Government. More is charged than a purely local larceny scheme. The charge is that telephone service was stolen with the intent to prevent the collection of the ten per cent excise tax and to prevent agents of the Internal Revenue Service from being aware of who was being called in connection with the gambling activities of these defendants. The defendant Mones misconstrues the indictment when he maintains that the indictment is strictly limited to a charge of stealing telephone service.

Nor is the argument with relation to taxes on admissions and fares of any validity; assuming that a scheme was charged which embraced getting free admission or fares with the intent to defeat the collection of the tax, such a scheme could well amount to a conspiracy to obstruct a function. This analogy, like the others, is predicated upon the faulty assumption that the scheme alleged embraced nothing more than theft; but more is alleged, and more must be proven. All of these analogies overlook the very basic fact that acts which would not be federally punishable absent an

intent to defraud, become Federal criminal violations when done in the context of facts and circumstances from which the intent to defraud the United States may be inferred.

The defendant Mones refers to the fact that an indictment had been withdrawn in the [redacted] case, 247 F.2d 908 (2 Cir. 1957) apparently to support the claim that the facts alleged here do not constitute a violation of section 371. The withdrawal which is referred to was actually a superseding indictment on the two conspiracy counts which were part of the original five count indictment. This was done by the Government after both of these counts had been sustained in the face of motions to dismiss for legal insufficiency. The only effect of the reindictment was to remove the clause "in that the defendants attempted to conceal and continued to conceal the nature of their business activities and the source and nature of their income" from its position in paragraph one following the charge that the defendants had conspired to obstruct the lawful functions of the Treasury in collecting taxes, and to place it in paragraph two as a part of the conspiracy. The defendants had claimed that the presence of the clause in paragraph one had the effect of limiting the rest of the properly charged paragraph thereby rendering it legally insufficient. The Court had rejected this argument, see 124 F. Supp. 476 (S.D.N.Y. 1954), but the Government reindicted to clear up any possible difficulty in the pleading. Since the reindictment had no effect upon the sufficiency of the indictment as originally pleaded it has no relevance for purposes of these motions.

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The defendant Mones also seeks to rely upon [redacted] v. United States, 353 U.S. 391 (1957); [redacted] v. United States, 336 U.S. 440 (1949); [redacted] v. United States, 344 U.S. 604 (1953) and [redacted]. United States, 360 U.S. 672 (1959) for the proposition that this indictment is bad because it alleges a conspiracy to conceal illegal conduct. However, a careful reading of these cases reveals that this contention is not supported by any of the cases cited.

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The [redacted] case involved a reversal of a conviction because of the admission against the defendant of a hearsay statement made by another conspirator long after the conspiracy had ended. The Government in that case sought to justify the admissibility on the theory of an implied, uncharged, subsidiary conspiracy to conceal the criminal violation. The Court rejected this argument as an unwarranted extention of the hearsay exception in conspiracy cases. [redacted] v. United States held that the conspiracy ended when the last of the alien spouses that the defendants conspired to get unlawfully admitted to the United States was admitted. The Court rejected the contention that there was a subsidiary conspiracy for the purpose of concealing the main crime which carried the conspiracy beyond this time; as a consequence hearsay statements occurring after the last spouse was admitted could only be used against the declarant. Both of these cases, therefore, made no blanket prohibitions of conspiracies to conceal generally, but held only that implied conspiracies to conceal the main crime could not be used to widen the hearsay exception in conspiracy cases far beyond any reasonable bounds.

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Nor did [redacted] outlaw all conspiracies whose object is concealment. The [redacted] case merely held that you cannot extend the statute of limitations indefinitely on the basis of charging as part of the main conspiracy a subsidiary conspiracy to conceal the main crime where the only evidence of such a conspiracy consists of acts of concealment and secrecy which are inherent in any intelligent criminal conduct. It did not matter whether this subsidiary conspiracy was implied as an adjunct to the main conspiracy or was alleged as an actual agreement to conceal the main objective proved by nothing more than the same acts which show merely that a crime was carried out in secret and covered up. No evidence other than that which was held insufficient to imply such a conspiracy was present in this case. Significantly enough this case would have been barred but for the alleged agreement to conceal the main objective.

That [redacted] did not hold that conspiracies to conceal are no longer possible is made abundantly clear by the second part of the opinion. The Court said at p. 405:

> By no means does this mean that acts of concealment can never have significance in furthering a criminal conspiracy. But a vital distinction must be made between acts of concealment done in furtherance of the main criminal objectives of the conspiracy, and acts of concealment done after the central objectives have been attained, for the purpose only of covering up after the crime.

The Court then went on to state that if the jury had been properly instructed on the theory that the object of the conspiracy was not favorable tax rulings but rather an immunity from prosecution, then the results could have been different. The Court added that there

was evidence from which this objective could have been inferred and if this were the main objective of the conspiracy, i.e., immunity from prosecution, then the acts of concealment could have effectively extended the Statute of Limitations. However, since the jury might have relied on the impermissible theory of a subsidiary conspiracy to conceal because of the lack of clear instructions on this point, a reversal was required.

Moreover, the very contention urged here was made and rejected in United States v. [redacted] 177 F. Supp. 106 (S.D.N.Y. 1959), reversed on other grounds, sub. nom, United States v. [redacted] 285 F.2d 408 (2 Cir. 1960). In this case the charge was a conspiracy to obstruct justice, commit perjury and to defraud the United States based on an alleged conspiracy to give false and evasive accounts concerning the circumstances surrounding a certain meeting. The Court there said that perjury involved concealment, but unlik[redacted] what was charged was not a conspiracy to conceal another crime but rather a conspiracy which had for its main object concealment by means of perjury. The Court said at p. 112:

> But it cannot be contended that perjury and obstruction of justice or conspiracy to commit either are no longer crimes after the [redacted] case.

There are here no problems of seeking to extend the statute of limitations or the hearsay rule by resort to an implied or alleged subsidiary conspiracy to conceal based on nothing more than covering up a main objective of the conspiracy.

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In this case it was the principal objective of this conspiracy to obstruct the lawful functions of the Treasury in the collection of taxes by preventing records from being made of long distance telephone calls made by these defendants via the corrupt scheme alleged in the indictment. This concealment was the means by which the objective of the conspiracy was achieved. It therefore cannot be affected by the cases relied on by the defendant Mones which deal only with attempts to draw from criminal acts carried out in secret an inference of a subsidiary conspiracy to conceal for purposes of extending the statute of limitations or the hearsay rule.

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The [redacted] case has no application to this case. That case dealt only with what inferences could be drawn by a jury from acts of concealment of a gambling operation performed by subordinates who were not liable for gambling excise taxes. The Supreme Court there held that such acts of concealment in those not liable for the taxes did not permit the inference of an intent to evade the taxes of the principals, absent a showing of knowledge that the principals were liable for taxes which had not been paid. Here the charge was a conspiracy to evade taxes and the acts of concealment shown here were not of the type explicable only in terms of a motive to evade taxation. The fear of state prosecution furnished an ample motive for concealment.

It is plain from a discussion of this case that it has nothing to do with conspiracies to conceal or even subsidiary conspiracies to conceal and can lend no support to the contention that along with

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[redacted] denounces all conspiracies to conceal illegal conduct.

B. The Wire Fraud Counts

The defendant raises objection to the wire fraud counts on the ground that they do not set forth the substance of the conversations of the calls alleged to be in furtherance of the conspiracy, with the result that the Court will be unable to decide as a matter of law whether the calls were in furtherance of the scheme to defraud. The contention is made that the allegation that the calls were in furtherance is a bare legal conclusion, relying on United States v. [redacted] 283 F.2d 155 (5 Cir. 1960). In addition, the contention is made that the Government has confused the scheme with the calls made. The defendant Mones further maintains that the fact of whether the call was paid for or not is irrelevant to the question of whether or not the call furthered the scheme.

The contention that an indictment is defective for failure to set forth the substance of the call lacks merit. It has long been well settled in the area of mail fraud that it is no objection to the sufficiency of an indictment that it fails to set forth the substance of the matter mailed. See [redacted] v. United States, 161 U.S. 306 (1896); United States v. [redacted] 26 F.2d 487 (S.D.N.Y. 1928); [redacted] v. United States, 275 Fed. 307 (2 Cir. 1921); [redacted] v. United States, 14 F.2d 75 (7 Cir. 1926); [redacted] et al. v. United States, 80 F.2d 285 (9 Cir. 1935). It therefore follows that an indictment under 18 U.S.C. sec. 1343 cannot be defective on this ground. Nor

such findings can be made at this juncture of the present case; the allegation of furtherance must be taken as true, and if so, the counts are clearly sufficient.

Furthermore, the present indictment makes it clear beyond all question that the wire use was in furtherance of the scheme. In cases where the furtherance depends upon the substance of the conversation, there may be some question as to whether at the trial stage the conversations proved will have a sufficient relationship to the scheme proved to warrant a conviction for the offense. However, where as here, the scheme alleged consists of a scheme to defraud the telephone company out of toll charges by procuring employees to place free and unauthorized long distance calls and the call alleged is a free and unauthorized call, there can be no doubt as to furtherance. It becomes clear from the allegations of the indictment that not only did the call alleged further the scheme, but also it obtained what it was the very object of the scheme to obtain, i.e. the use of the long distance facilities of the telephone company without the payment of toll charges. No further action was necessary to execute the scheme to defraud as to that particular toll charge. The unauthorized sending of conversations in and of itself furthered the scheme regardless of the content of the conversations; therefore, the fact that the calls were unauthorized, far from being irrelevant, is so relevant that it obviates the need to show a relationship between the substance of the conversations and the scheme alleged; it is only the fact of trans-

mitting a conversation, any conversation, that is significant, since the question of furtherance does not depend upon the content of the transmitted conversations.

This is not to say that an authorized call could not have furthered the scheme, but the fact that both authorized and unauthorized calls could have furthered the scheme charged does not make the fact of unauthorized use irrelevant. To so argue, as the defendant Manes does, is to ignore the basic distinction arising from the fact that an unauthorized use removes the dependency upon the substance of the conversation that would be the case if an authorized call were the basis for the charge.

There is likewise no merit to the contention that the Government has confused the scheme with the calls made. It is clear that the scheme refers to the mental processes of a defendant who devises it. See e.g. [redacted] v. United States, 122 F.2d 675 (5 Cir. 1941). This is clearly set out in paragraph one of each fraud count. The unauthorized calls made were acts furthering this pre-existing plan. The mere fact that the calls furthered the plan so completely as to make further action unnecessary to effectuate the scheme with relation to the particular toll charge involved can in no way be deemed to render the plan and the act which executed it identical. This indictment, therefore, presents no confusion between the plan and the calls which furthered it. b6 b7C

The case of United States v. [redacted] 292 F.2d 362 (3 Cir. 1961),

has no relevance here. That case held that under the provisions relating to the misgrading of meat, 7 U.S.C. section 1622-h, the defendant's misgrading of meat with a genuine mark did not violate the provision dealing with the false making of a mark. The Court relied on the legislative history of this particular statute and on the common meaning of the language used. The Court further found that the activity was covered by another clause of the same statute. The holding in this case is limited to the applicability of a specific statute, which has no relationship to wire fraud.

C. The Fragmentation of Offenses Contention

The defendant Mones also contends that the conspiracy to defraud and the fraud by wire counts charged here amount to a fragmentation of the same offense, and that the double punishment resulting therefrom will infringe on the defendant's right to be protected against double jeopardy. The basis for this contention appears to be that the fraud by wire counts charging Mones with DiPiazza and Perez with devising a scheme to defraud in separate counts in effect charge a conspiracy; therefore, this amounts to a charging of what is essentially a further objective of the conspiracy as a separate conspiracy. To support this contention it is pointed out that these counts are not substantive offense objects of the conspiracy. The contention is further made that this fragmentation of offenses runs afoul o[redacted]v. United States, 317 U.S. 49 (1942). Finally, the contention is advanced that a realistic appraisal of the wire fraud

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statute requires that it be read as reaching a pattern of conduct so that the separate calls charged in Counts IX and XI are not separate offenses. All of these contentions are devoid of any foundation in law.

The test for identity of offenses for double jeopardy purposes is whether the same evidence is required to sustain them, and if this is not the case the mere fact that both arise out of the same transaction does not make out a single offense where more than one is defined by the statute. See e.g. [redacted] v. United States, 25 F.2d 959 (8 Cir. 1928); [redacted] v. United States, 347 U.S. 1 (1953). There is no question that the proof in this case on the conspiracy count will require proof of elements which will not be required as to the substantive counts, i.e. an intent to defraud the United States, and an agreement to obstruct the lawful functions of the Treasury. The substantive counts require a proof that the wire was used to further a scheme; this is not required on the conspiracy count which requires proof of the agreement and any overt act in furtherance thereof. It is obvious that the offenses are different and it does not matter that the joined substantive offenses are not alleged as offense objects of the conspiracy, since under the defraud language of section 371 it is not necessary to allege the commission of any criminal offense as an object of the conspiracy.

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The defendant Mones' reliance on cases such as Chambers v. United States, 237 Fed. 513 (8 Cir. 1916) [redacted]. United States, 33 F.2d 238 (9 Cir. 1929); [redacted] v. United States, 41 F. 2d 193

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(8 Cir. 1930); [redacted] v. United States, 13 F.2d 961 (2 Cir. 1926), and [redacted] v. United States, 233 Fed. 5 (6 Cir. 1916) is misplaced if he would construe them to mean that because a scheme to commit mail fraud shared in by more than one is in effect a conspiracy, that the substantive offense of mail fraud is identical with the offense of conspiracy. At best these cases hold that when shared in by several a scheme to defraud as a conspiracy is subject to similar rules and principles of evidence with regard to being bound by the acts and declarations of the other participants while the scheme is in progress and with regard to the continuous nature of the scheme. However, the fact that some principles are the same when in fact more than one is involved does not render the offenses in law identical. The law is settled that a conspiracy to commit mail fraud and mail fraud are separate offenses even in a case where more than one is involved and where one of the participants in the alleged substantive offense was charged as an aider and abettor. [redacted] v. United States, supra. See [redacted] v. United States, 138 F.2d 351 (6 Cir. 1943).

In the [redacted] case, supra, the Court was careful to point out that a conspiracy could be carried out without mailing a letter and also required the government to carry a heavier burden on the issue of intent to use the mails to defraud. Moreover, the Court here cited the [redacted] case, supra, for its language concerning a scheme involving more than one becoming a conspiracy, and nonetheless held that the offenses are separate. If conspiracy to commit mail fraud and mail fraud are not the same offense, a fortiori it follows that this must be

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certainly true of a conspiracy to defraud the United States, which requires elements of proof not required by either a prosecution for mail fraud or a conspiracy to commit this offense, i.e. intent to defraud the United States.

The offenses being distinct in law it is clear that no defense on the ground of double jeopardy is sustainable where a conspiracy and the substantive offenses which arise out of the same transaction are joined even in cases where the acts forming the basis for the substantive counts are alleged as acts in furtherance of the conspiracy. [redacted] United States, 328 U.S. 640 (1946); [redacted] v. United States, 249 F.2d 539 (5 Cir. 1957). This being the case there is no application of the principle put forth in the [redacted] case, supra, that one conspiracy cannot be split up into several offenses based upon the fact that it had multiple objects. In the [redacted] case there were no separate substantive offenses charged. Hence, [redacted] does not reach a case like the present one where the indictment charges not one agreement to violate several statutes but rather one agreement plus several related, separate offenses which involve different elements of proof. For the same reason [redacted] v. [redacted] 45 F.2d 790 (N.D. Ga., Atlanta Div. 1930), and United States v. [redacted] 75 F.2d 497 (2 Cir. 1935) are inapplicable.

Similarly, [redacted] v. United States, 249 U.S. 204 (1919), is not in point because this case merely held that a conspiracy indictment is not duplicitous because it alleges more than one object.

No extensive discussion is necessary to refute the contention

that because several uses of the wire are incident to the same scheme, they are therefore not separate offenses which must be charged in separate counts. The law has long been clear in the area of mail fraud that each mailing constitutes a separate offense. In re [redacted] 123 U.S. 372 (1887); United States v. [redacted] 168 F. Supp. 622 (E.D. Wisc. 1958); [redacted] v. United States, 178 F.2d 458 (9 Cir. 1949); [redacted] v. United States, 142 F.2d 480 (10 Cir. 1949). It follows therefore that the rule is the same in the area of fraud by wire.

There is no relevance in cases such as [redacted] v. United States, 231 F.2d 489 (D.C. Cir. 1956) which held that 18 U.S.C. sec. 1001 permitted an indictment based on a continuing scheme to deceive via a false representation so that prosecution was possible although the defendant's false statement was made at a time which would have barred prosecution on grounds of the statute of limitations were it not for the continuing scheme. The Court found that the statute contemplated reaching a pattern of similar conduct so that an indictment predicated upon the theory of a continuing scheme was permissible. Nor is there any purpose in drawing analogies from other statutes since the nature of the mail and wire fraud statutes is such that each mailing or wire use constitutes a separate offense, regardless of what the rule may be under other statutes. As the [redacted] case supra points out, it is the use of the mails which vests the federal court with jurisdiction. The plain difference lies in the distinction between one continuing offense which may be consummated singly or by plural acts, and an indictment which charges a continuing

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scheme to defraud which is made criminal each and every time the mails are used in execution thereof, and only when and if the mails are used.

2. The Alleged Improper Joinder and Severance

There is little to be added to what has already been discussed in the previous memorandum regarding the propriety of joinder and the reasons why these defendants' motions for severance should be denied. However, there are some aspects of the Mones memorandum on this matter which require some comment.

First of all the argument that joinder was proper in the first instance in the case of [redacted] v. United States, 362 U.S. 511 (1960), while not proper here, on the ground that in that case the substantive offenses were alleged as objects of the conspiracy, whereas here they are not, is one that is based on a misinterpretation of the case and one that reads into Rule 8 a requirement that is not there present. There is no requirement in Rule 8 based on a test that there be a joinder of substantive offenses and a conspiracy to commit these offenses. The test is that the offenses be of similar character or arise out of the same act, transactions or series of acts or transactions constituting parts of a common scheme or plan. Pursuant to this mandate it has long been proper to join a conspiracy to defraud the United States with the substantive offenses that are related to the conspiracy. See e.g. [redacted] v. United States, supra [redacted] v. United States, 168 F.2d 846 (9 Cir. 1948), aff'd 336 U.S. 613 (1949); [redacted] v.

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United States, 82 F. 2d 500 (6 Cir. 1936); United States v. [redacted] 93 F. Supp. 368 (S.D.N.Y. 1950); United States v. [redacted] 123 F. Supp. 732 (S.D.N.Y. 1954). Therefore, it is plain that there can be no reading of the [redacted] case supra as holding that the joinder was proper there because the substantive offenses were alleged as offense objects. The case must be taken to mean that joinder was proper because a conspiracy count was present which arose out of the same act or transaction as the substantive offenses there charged, although there was a failure of proof on the conspiracy at the trial. The result would not have been different if a conspiracy to defraud and the substantive offenses relating to it had been the charge. There can be no question that joinder is proper here since it is clear that the conspiracy and the fraud by wire counts arose out of the same acts and transactions; in fact, all of the substantive offenses could have also been charged as acts in furtherance of the conspiracy, but there was no requirement to do so.

Nor do the cases the defendant Mones cites as supporting his motion for severance on the grounds of prejudice afford precedents in support of his contention. [redacted] v. United States, 164 U.S. 76 (1896), is not in point. The offenses there charged were not part of the same transaction and were dependent on a different state of facts (one charged a group of defendants with assault with intent to kill and another charged only some of these defendants with an unrelated arson some weeks later. The indictment here makes it clear that the offenses joined are related since some of the overt acts in furtherance of the conspiracy also form the basis for substantive counts. Nor is it any objection that the proof of one offense will require evidence not essential to the other counts.

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As has been mentioned, if the elements of the proof were exactly the same, they would not be separate offenses. Rule 8 would have no meaning if separate offenses involving some different elements of proof could not be joined.

Much reliance is placed on [redacted] v. United States, 352 U.S. 232 (1957); United States v. [redacted], 285 F.2d 408 (2 Cir. 1960); and [redacted] v. United States, supra. The [redacted] case did not even involve a joint trial since the defendant there was tried alone and only two conspirators were involved. It must be kept in mind that the frequently quoted language of Justice Jackson was in a concurring opinion that was in no way relevant to the facts of that case; the reversal was predicated upon the fact that a hearsay statement of one conspirator had been used against the defendant although made after the conspiracy had ended. At best, Justice Jackson's language must be taken as some general observations on the dangers in joint trials and cannot be used as a basis for the contention that merely by the fact of joinder a defendant is entitled to a severance under Rule 14.

United States v [redacted] involved similar remarks made about mass conspiracy trials generally which were not relevant to the grounds for reversal, i.e. evidentiary insufficiency. It should also be kept in mind that the evidence in that case involved a great number of statements which were especially hard for the jury to follow and keep separate. At best the dicta here can only be taken to stress the need for careful safeguards in such joint trials. In Delli Paoli, supra, the Court held that a confession implicating one defendant, but admitted under proper

instructions only against the declarant, did not result in a prejudice to the defendant which warranted a reversal on the facts and circumstances of that case. The dissenting judges felt that a reversal was warranted on these facts, but did not imply that joinder of its very nature warrants a severance in all cases.

It is plain that in all these cases the Court was reviewing a record and could properly assess the effect of a confession, a hearsay statement, or numerous statements by many defendants and conspirators, upon a particular defendant in the context of the facts shown in the record. Such an assessment cannot be made at the pretrial stage of this case nor can it be anticipated that there will be hearsay statements or confessions which of their very nature will be so prejudicial that a severance would be warranted. The proper time to pass on such questions is at the trial.

This is also true of the defendant's claim that the joinder deprives him of the other defendants as witnesses. The same contention was made and rejected as properly determinable only at the trial in United States v. [redacted] 24 F.R.D. 26 (S.D.N.Y. 1959); [redacted] v. United States, 299 Fed. 568 (8 Cir. 1924), does not aid the contention for severance. In that case the Court assumed that evidence material to his defense would not be available to him if tried jointly but would be available if he were tried alone. Based on this assumption, the defendant would have been entitled to a severance, but on the facts of that case the Court found that the evidence was not material and hence the denial of the severance was not a ground for reversal. The

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testimony involved was that of a co-defendant's wife who would not have been available to him if he were tried with the husband.

The assumption cannot be made here that evidence otherwise available to these defendants will be denied them because of the joint trial. Whether other defendants would testify and if so, whether it would materially aid this defendant, or whether their invoking of the Fifth Amendment would benefit this defendant, are questions which at this stage rest on pure conjecture and speculation. They afford no adequate basis for severance at this time.

3. The Motion for Particulars

The cases cited by the defendant Mones as justifying his claim to particulars are distinguishable on their facts. Some of them involve antitrust prosecutions where the courts stressed the special circumstances existing in such cases, i.e. their wide scope, their complex detail, the numerous corporations involved, etc. See United States v. Allied Chemical and Dye Corp., 42 F. Supp. 435 (S.D.N.Y. 1941); United States v. United States Gypsum Company, 37 F. Supp. 398 (D.D.C. 1941); United States v. Metropolitan Leather and Findings Ass'n., 82 F. Supp. 449 (S.D.N.Y. 1949). Such cases do not establish guidelines as to what defendants are entitled to in the way of bills of particulars in criminal cases generally.

In some of the other cases relied on, there were special circumstances surrounding the indictments there involved which made it necessary to require a more specific furnishing of particulars. In [redacted] v. United States, 33 F.2d 107 (8 Cir. 1929), the indictment

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contained a shotgun clause which stated that the defendant made many false representations in addition to some that were more specifically pleaded. In the context of this indictment the appellate court felt that the denial of particulars was an abuse of discretion. In United States v. [redacted] 55 F.2d 408 (E.D.N.Y. 1931), the indictment merely said that the defendant protected an illegal importation of liquor operation from interference and aided in the disposal of liquor. It was admitted that the defendant did not become police chief until after the conspiracy had been formed. The Court felt that in view of this fact and the fact that the charge was ambiguous as to how he protected the operation from interference, he was entitled to particulars as to how it was charged that he protected the conspiracy. In [redacted] v. United States, 262 Fed. 283 (8 Cir. 1919), it was held that the indictment did not plead the circumstances under which the defendant's statement was made, whereas under the Espionage Act of 1915 the criminality of the language depended upon the circumstances under which it was said. This was not a bill of particulars case at all, but rather an indictment sufficiency case.

Similarly, [redacted] v. United States, 164 F.2d 302 (5 Cir. 1947), involved a multi-count information for a violation of the rationing laws in very general terms. In holding that particulars should have been granted the Court stressed certain special factors, i.e. the short time between information and trial, the vague and general terms of the counts, the unfamiliarity of the bar generally with ration orders, rules, and regulations, and the rapidity with which such regulations were amended and changed. In [redacted] v. United States, 58 F.2d 74 (3 Cir. 1932),

the denial of particulars was clearly prejudicial because the failure to grant particulars as to the nature of certain items of income referred to in the indictment resulted in much evidence coming before the jury which had to be discarded later as not relating to income upon which a tax should have been paid. This would have been prevented by an adequate bill of particulars. In United States v. [redacted] 237 F.2d 466 (2 Cir. 1956), while mention was made of the principles of law applicable to bills of particulars, the Court said it need not consider whether the denial was error since the case was reversed on the ground that the trial court failed to adequately instruct as to the nature and principles of the net worth method of proof. Finally, in United States v [redacted] 16 F.R.D. 372 (W.D. Mo. W.D. 1954), a prosecution for a sale of narcotics was involved and since the indictment only alleged a transference of the narcotics on a certain day, the defendant was held entitled to particulars concerning the name of the vendee, the time and place of the sale, and as to whether the vendee was acting for the Government. This was deemed essential to inform the defendant of the offense charged and the time of its commission. However, even in this case the defendant was held not entitled to the names and addresses of witnesses the Government intended to use at the trial.

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[redacted] v. United States, 234 F. 2d 522 (10 Cir. 1956), is a case that goes well beyond what it is the general rule to give in the way of particulars in conspiracy cases, as the dissent in that case well illustrates. It is not supported by the great majority of cases.

The indictment in this case is clear and specific as to what

MINUTE ENTRY:
July 17, 1962
CHRISTENBERRY, J.

UNITED STATES OF AMERICA

Vs.

[redacted] ET ALS

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA
NEW ORLEANS DIVISION

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No. 28247 CRIMINAL

This matter was before the Court on former days on various motions of the defendants, including motions to dismiss the indictment, supplemental motions to dismiss the indictment, motions to suppress evidence, motions to compel the production of the transcript of all proceedings before the Grand Jury in connection with the indictment in this case, motions for severance, and motions for bills of particulars.

The Court held hearings on the motions to suppress on March 21, 22 and 23, 1962, at which time testimony was taken and documentary evidence received. Oral argument on all pending motions of defendants was set fpr hearing on June 20, 1962. On that day, defendant Mones, by letter of his counsel, Jacob Kossman, Esquire, dated June 16, 1962, waived oral argument. All of the other defendants, through their respective counsel, agreed to submit their motions for bills of particulars without argument. The Court then heard oral argument on all other pending motions of the respective defendants.

Now, after due consideration:

IT IS ORDERED by the Court that the motion for the production of the transcript of the proceedings before the Grand Jury in connection with the indictment in this case, insofar as the said motions seek to have such transcript of the Grand Jury proceedings examined and considered by the Court in camera in deciding the defendants' other motions, be, and it is GRANTED.

7/18/62
JUL 18 1962

Now, after consideration of the testimony of the witnesses, the documentary evidence, counsel's arguments, the briefs of the parties, and the transcript of the proceedings before the Grand Jury in connection with the indictment in this case

IT IS ORDERED by the Court that all other motions of all defendants be, and the same are, hereby DENIED.

FD-36 (Rev. 5-22-64)

FBI

Date: 5/10/66

Transmit the following in _____ (Type in plaintext or code)

Via AIRTEL AIR MAIL (Priority)

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TO: Director, FBI (166-1765) ATTENTION: CRIME RECORDS

FROM: SAC, Los Angeles (166-462)

RE: CHANGED: [redacted] aka.,
ET AL
ITAR-GAMBLING; ITWI;
FBW - CONSPIRACY

OO: Los Angeles

The title is marked CHANGED to reflect the correct spelling of [redacted] name as reflected in his company records.

Re Los Angeles teletype to Director dated 4/27/66.

BACKGROUND

This case entails the use of an electronic device called a multi-frequency tone generator or "blue box" used to make long-distance telephone calls circumventing

3 - Bureau
2 - Atlanta
2 - Baltimore
1 - Butte (Info)
2 - Memphis
2 - Miami
2 - Newark
2 - New Orleans
1 - New York (Info)
1 - Oklahoma City (Info)
1 - Philadelphia (Info)
1 - Salt Lake City (Info)
1 - Seattle (Info)
2 - Los Angeles
JRD/sef

REC- 49 166-1765-42

MAY 11 1966

CRIME RESEARCH [redacted]

51 JUN 23 1966

Approved: _____ Sent _____ M Per _____
Special Agent in Charge

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LA 166-462

normal billing procedures and in the case of gamblers, detection of the individual called. The Los Angeles area records of the Pacific Telephone and Telegraph Company reflect that there are or have been numerous users of this device, coupled with information that this device is being manufactured in this area by certain engineers. Investigation of these facts has determined that this device is used by individuals falling within two classes, (a.) gamblers and, (b.) salesmen and other legitimate individuals merely circumventing costs of interstate calls.

In the case of gamblers investigation has determined that [redacted] the subject of this case, has been in contact with numerous gamblers throughout the country and has placed bets or obtained gambling information in telephone conversations with these individuals which he did on the instructions and orders of nationally known Miami gambler [redacted]

Assistant United States Attorney JOHN LALLY, Chief of the Organized Crime Section, USA's Office, Los Angeles, stated that it was his opinion that users of the "blue box" were in violation of Fraud by Wire statutes, if the calls were made interstate utilizing this device. In addition, he advised that users of this device could also be prosecuted for violation of federal gambling statutes if the "blue box" were utilized in interstate calls in furtherance of gambling operations.

Assistant U. S. Attorney LALLY stated that if the telephone company, acting on their own initiative and not at the request of the FBI, monitored individuals using this device, any tapes made during the monitoring would be admissible evidence.

Officials of the [redacted] advised that they were in accord with AUSA LALLY's opinion [redacted]

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Following the AUSA's opinion, [redacted] b6 b7C b3 [redacted] and reviewed by AUSA LALLY and on the calls made by [redacted] he has advised that he will proceed against the following individuals for violation of Title 18, Section 1952 (ITAR-GAMBLING) U. S. Code:

[redacted] Miami, Florida

HERBERT KAUFMAN, Baltimore, Maryland b6 b7C

[redacted] Conyers, Georgia

THOMAS MILTON BOYD, Nashville, Tennessee

EUGENE NOLAN, Baton Rouge, Louisiana

[redacted] Union City, New Jersey

[redacted] Los Angeles, California

In addition, [redacted] Los Angeles, known as [redacted] has also used this device in making calls to Seattle, Washington, Chicago, Illinois and Miami, Florida. Some of the tapes reflecting calls made by [redacted] have already been received and LALLY has opined that he will proceed against the following: [redacted] Los Angeles, California, and [redacted] Miami, Florida. (It is noted that [redacted] of Miami is [redacted] a business established for the purpose of distributing the national line. One of the prime owners is [redacted] who is currently subject of a Federal Grand Jury inquiring, Miami, Florida.

For the information of the Bureau, [redacted] and will be supplied to the Federal Grand Jury, Los Angeles on 5/11/66. If additional subjects are established [redacted], the Bureau will be promptly notified. b3

In addition to the above individuals who will be arrested for federal gambling and Fraud by Wire violations,

Los Angeles has positively determined that eleven individuals have used this device in recent months and AUSA LALLY will proceed against these individuals on charges of Fraud by Wire. Other subjects may develop through current investigation being conducted and these names likewise will be furnished the Bureau promptly when received.

AUSA LALLY desires that all individuals both in Los Angeles and out of state, be arrested on the same date in order to establish a dramatic effect in an effort to aid the telephone company through wide spread publicity that would be achieved and to discourage future use of this device.

At a conference held in Los Angeles attended by representatives of the telephone companies, United States Attorney and the Los Angeles Office of the FBI, telephone company officials expressed serious concern over the cost to their company in policing suspected users of the device and of the costs lost to them by these illegitimate calls. They strongly urged that in their opinion the best means to circumvent and stop this type of activity was to fully cooperate with the FBI in causing arrests of the users which they felt would be the best way to thwart its future use.

TECHNICAL EXPLANATION OF THE "BLUE BOX"

The following information concerning the operation of the "blue box" was provided by [redacted] on 5/3/66. b6 b7C

The function of the "blue box" is to simulate pulses used by telephone operators and automatic dialing equipment to make long-distance telephone calls without activating telephone company billing equipment.

The caller accomplishes this by dialing the area code, a three digit number, followed by the number of the universal information operator which is 555-1212,

a no charge number. At any time after the ringing commences the "blue box" is used to introduce a 2600 cycle per second (cps) tone into the transmitter of the telephone instrument. This drops the information operator from the line, but retains the circuit in the long-distance toll trunk. Then the start button or key pulse button is pressed, introducing a multi-frequency tone of 1100 and 1700 cps into the transmitter, thereafter the area code followed by the telephone number of the party being called is pulsed by using the appropriate buttons in proper sequence.

DATE OF ARRESTS

AUSA JOHN LALLY has indicated a desire to have all arrests made this case at the end of May, 1966, if investigation can be logically concluded by that time. In addition to those arrested there will be simultaneous interviews made in the Los Angeles area of approximately 20 other individuals who are suspected by the telephone company of using such a device. The USA has advised that if these individuals during interview admit the use of this device to make interstate calls he will consider authorizing the arrest of them for Fraud by Wire.

THUMBNAIL OF INDIVIDUALS TO BE ARRESTED OUT OF STATE

Miami Division

At [redacted] aka. [redacted]
FBI [redacted] alleged [redacted]
[redacted] who resides at [redacted]
[redacted] born [redacted]
[redacted] resides at [redacted]
[redacted] and is alleged to be one of the largest bookmakers in the United States.

b6
b7C

Memphis Division

At Nashville, Tennessee THOMAS MILTON BOYD, a well known gambling figure in Nashville born in that city

b6
b7C

2/14/30. BOYD is a partner in the operation of the Uptown Recreation Center at 415 Diedrich Street, Nashville and resides at 212 Rolling Fork Court. He is married and has one child.

Newark Division

At [redacted] born [redacted] last known to reside at [redacted] and is employed as a [redacted] at the Casino in the Park, Jersey City, New Jersey.

Atlanta Division

✓ At [redacted] a major gambler in the Atlanta, Georgia area who, as of February, 1965, resided at [redacted] In June, 1965, [redacted] was indicted by a Federal Grand Jury in Atlanta on 25 counts alleging violations of Title 26, Sections 7201 and 7203, U. S. Code. He has FBI [redacted]

Baltimore Division

At Baltimore, Maryland HERBERT KAUFMAN. KAUFMAN operates and owns Kaufman Realty, 1615 West North Avenue, Baltimore, Maryland, and his last residence address known to the Los Angeles Division was 3600 Labyrinth Road, Baltimore, Maryland.

New Orleans Division

At Baton Rouge, Louisiana EUGENE ANTHONY NOLAN. NOLAN resides [redacted] at 1051 RITTINER Drive, Baton Rouge, Louisiana. He was born 1/23/30 and has FBI #30122E. NOLAN has had three gambling arrests in the past. There is no record in the Los Angeles Division of any convictions.

GAMBLERS TO BE ARRESTED AT
LOS ANGELES, CALIFORNIA

[redacted] born [redacted] currently resides at [redacted] and has been self-employed in the [redacted] field and [redacted] pomotions under the business names of [redacted] Productions and [redacted] Enterprises.

b6
b7C

[redacted] is single and has no known criminal record.

[redacted] born [redacted] and resides at [redacted] and is [redacted] at [redacted] which is involved in providing the line and results in sporting events. [redacted] has been arrested for bookmaking. His FBI number is [redacted]

The following is a group of individuals concerning whom arrests are contemplated for violation of Fraud by Wire and who reside in the area covered by the Los Angeles field Division.

[redacted] who has offices at [redacted] and is a [redacted] associated with the La Brea Medical Clinic. He was last known to reside at [redacted] (CALIF.

b6
b7C

[redacted] who resides at [redacted] California. He has been employed as an [redacted] at the [redacted] having previously been in business for himself under the business name of [redacted] at [redacted] is [redacted] years of age, having been born on [redacted].

[redacted] was born [redacted] and resides at [redacted] He is [redacted] at [redacted], and is associated with [redacted] is single and has no known criminal record.

JOSEPH SOLDIS was born 3/28/30 at Derby, Connecticut and resides at 4612 Sharynne Lane, Torrance, California. He is employed by Escoa Corporation, 15519 South Crenshaw Boulevard, Gardena, California as a salesman. There is no known criminal record available concerning SOLDIS.

B. Approx. 1926

GRAY HOFFMAN is 40 years of age and resides at 212 South Mariposa in Burbank, California and is employed as manager of the Kahr Bearing Corporation, 3010 North San Fernando Road, Burbank, California. He has no known arrest record.

VIRGIL SALATHIEL normally resides at 5055 Walnut Hill Lane, Dallas, Texas, but has from time to time maintained an apartment in the Los Angeles area. SALATHIEL operates the Teco Wheel Balancing Company, 1005 Arbor Vitae Inglewood, California which also has facilities in Dallas, Texas.

[redacted] was born on [redacted] in [redacted], is married and resides at [redacted] He is employed as [redacted] of the [redacted] at the [redacted] and has no known arrest record.

B Approx. 1911

CARL LOVELACE CLEMENT who is approximately 55 years of age, resides at 9336 Lemona, Sepulveda, California and is employed as a manager of engineers at the Escoa Corporation, 15519 South Crenshaw, Gardena, California. CLEMENT is married and has no known police record.

b6
b7C

[redacted] and/or [redacted] who reside at [redacted] and is employed by the [redacted] as a [redacted]

RECOMMENDATION

Based on the wide spread publicity which would be caused by national arrests of gamblers coupled with the unique use of technical devices to make interstate calls, it is recommended that the Bureau give consideration to making a national press release based on the anticipated arrests later this month.

If the Bureau so desires to make such a release Los Angeles will keep you abreast of all information and the identities of additional subjects or suspects. All offices will be advised the night prior to the complaints being

filed that the arrests will be made and approximately one week before such arrests, each office will be requested to determine if the subject they are to arrest is in their field division territory. Following the arrests, each Division will be requested to telephonically advise the Bureau and Los Angeles if they were successful in making the arrest and if gambling paraphernalia found. Additionally, Los Angeles will provide the Bureau the number of "blue box" devices seized in connection with the arrests made in the Los Angeles area.

A copy of this communication has been designated for every office having had past correspondence or leads in this case in the event the Bureau may desire to ask a field division for additional information regarding an individual .

The Bureau is requested to provide Los Angeles in advance a copy of any desired press release in order that Los Angeles may delete or add any subjects based on future investigation or U. S. Attorney's opinion.

1-5 (Rev. 1-27-66)

b6
b7C

Tolson
DeLoach
Mohr
Wick
Casper
Callahan
Conrad
Felt
Gale
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

DECODED COPY

☐ AIRGRAM ☐ CABLEGRAM ☐ RADIO ☒ TELETYPE

3:22 PM EST URGENT 5-11-66 MRB

TO DIRECTOR, LOS ANGELES, LOUISVILLE, MIAMI, AND NEWARK

FROM ATLANTA 111830

Interstate Transmission of Wagering Information

[redacted] AKA, ET AL; ITWI; OO: MM. BUFILE: [redacted]

Interstate Transportation in Aid of Racketeering

[redacted] ET AL; ITAR - GAMBLING; ITWP; FBW - FRAUD BY WIRE -
Interstate Transportation of Wagering Paraphernalia
CONSPIRACY; OO: LA. BUFILE 166-1765.

[redacted]; ITWI; OO: LS; BUFILE: [redacted]

Interstate Transmission of Wagering Information

RE MIAMI TEL TO DIRECTOR, ETC., MAY 10 LAST IN [redacted] CASE;
LOS ANGELES TEL TO DIRECTOR, ETC., MAY 3 LAST IN [redacted] CASE AND
LOUISVILLE AIRTEL TO DIRECTOR, MAY 5 LAST IN [redacted] CASE.

RE MIAMI TEL STATES ARREST WARRANTS INVOLVING [redacted]
KENNETH HANNA (PRESENTLY RESIDING ATLANTA) AND OTHERS WILL BE
AVAILABLE MAY 16 OR 17 NEXT.

RE LOS ANGELES TEL STATES AUSA, LOS ANGELES, PLANNING TO
AUTHORIZE ISSUANCE OF COMPLAINTS END OF MAY AGAINST [redacted]
[redacted] AND OTHERS, INCLUDING [redacted] AND POSSIBLY [redacted]
[redacted] (BOTH LIVING [redacted] DIVISION).

166-1765

RE LOUISVILLE AIRTEL POINTS OUT INTENTION OF DEPARTMENT

Radiogram to AT
5-12-66
WPB:ksn

MR. DELOACH FOR THE DIRECTOR

[redacted]

ORIGINAL FILED IN 166-1765-45

NOT RECORDED
MAY 16 1966

If the intelligence contained in the above message is to be disseminated outside the Bureau, it is suggested that it be suitably paraphrased in order to protect the Bureau's cryptographic systems.

4-9 (Rev. 1-27-66)

b6
b7C

Tolson
DeLoach
Mohr
Wick
Casper
Callahan
Conrad
Felt
Gale
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

DECODED COPY

☐ AIRGRAM ☐ CABLEGRAM ☐ RADIO ☒ TELETYPE

PAGE TWO FROM ATLANTA 111830

ATTORNEY TO OBTAIN SEARCH WARRANTS FOR RESIDENCES AND PLACES OF BUSINESS OF VARIOUS INDIVIDUALS, ONE OF WHICH PROBABLY [redacted] AND THIS CASE TO BE PRESENTED FGJ, PIKEVILLE, KENTUCKY, JUNE 29 NEXT.

IT IS FELT THAT SIMULTANEOUS ARRESTS AND OR SEARCHES OF INDIVIDUALS INVOLVED IN ABOVE THREE CASES WOULD OFFER BEST POSSIBILITY OF SEIZING VALUABLE EVIDENCE AND WOULD AFFORD BUREAU CONSIDERABLE FAVORABLE PUBLICITY. BUREAU MAY DESIRE TO DISCUSS THIS MATTER WITH DEPARTMENT.

LOS ANGELES AND NEWARK FURNISH ATLANTA BASIS FOR BELIEF [redacted] MAY BE IN ATLANTA AND ANY INFORMATION AS TO HIS RESIDENCE AND ACTIVITIES IN ATLANTA.

RECEIVED: 4:35 PM JGD

CC: MR. GALE & Mr Rosen

If the intelligence contained in the above message is to be disseminated outside the Bureau, it is suggested that it be suitably paraphrased in order to protect the Bureau's cryptographic systems.

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
MAY 20 1966
TELETYPE

b6
b7C

Mr. Tolson
Mr. DeLoach
Mr. Mohr
Mr. Wick
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

FBI LOS ANG.

8:05 PM PDT URGENT 5-20-66 EVK

TO BUREAU (166-1765) ATT: CRIME RECORDS DIVISION,

ATLANTA, BALTIMORE, CHARLOTTE, MEMPHIS, MIAMI, NEWARK, NEW ORLEANS [redacted]

FROM LOS ANGELES (166-462)

Interstate Transmission of Wagering Information
[redacted] ~~Also known as~~ ~~AKA.~~ ~~ITWI.~~ FRAUD BY WIRE ~~FWB~~- CONSPIRACY. Office of Origin ~~OO~~: LOS ANGELES.

RE LOS ANGELES AIRTEL TO DIRECTOR MAY TEN LAST.

Interstate Transportation in Aid of Racketeering
~~ITAR~~-GAMBLING IS DELETED FROM CHARACTER.

Assistant United States Attorney
~~AUSA~~ JOHN LALLY, LOS ANGELES TODAY CONFIRMED HE WOULD AUTHORIZE FILING OF COMPLAINTS AGAINST THE FOLLOWING

Interstate Transmission of Wagering Information
UNDER ~~ITWI~~ STATUTE: [redacted] MIAMI; HERBERT KAUFMAN, BALTIMORE, MARYLAND; [redacted] CONYERS, GEORGIA; THOMAS MILTON BOYD, NASHVILLE, TENNESSEE; [redacted] UNION CITY, NEW JERSEY AND [redacted] AND

END PAGE ONE

REC- 24 166-1765-43
MCT-20
MAY 24 1966

~~JUN 6 1966~~
50 JUN 14 1966

b6
b7C

PAGE TWO

[redacted] LOS ANGELES, CALIFORNIA.

Assistant United States Attorney
~~AUSA~~ LALLY DID NOT CONFIRM BUT GIVING CONSIDERATION TO EUGENE NOLN, BATON ROUGE, LOUISIANA; HENRY E. LOMAN, GREENSBORO, NORTH CAROLINA.

COMPLAINTS WILL BE AUTHORIZED AGAINST THE FOLLOWING FOR ~~FBW~~: FRAUD BY WIRE [redacted] SUPRA; [redacted] GREY HOFFMAN; VIRGIL SALATHIEL; CARL LOVELACE CLEMENT.

PROBABLE CAUSE DOES NOT EXIST FOR JOSEPH SOLDIS AT THIS TIME.

ADDITIONAL SUBJECT [redacted] also known as [redacted] TO BE INCLUDED ~~FBW~~ FRAUD BY WIRE.

THE FOLLOWING THUMBNAIL OF [redacted] BORN [redacted] MARRIED, SELF EMPLOYED AS [redacted] RESIDES [redacted]

COMPLAINTS WILL BE FILED FOR AIDING AND ABETTING ~~FBW~~ FRAUD BY WIRE AGAINST [redacted]

THE BUREAU, NEW ORLEANS AND CHARLOTTE WILL BE IMMEDIATELY ADVISED OF ANY PERTINENT DEVELOPMENTS CONCERNING QUESTIONABLE SUBJECTS THEIR TERRITORIES.

END PAGE TWO

ALL OFFICES IMMEDIATE DETERMINE WHEREABOUTS OF SUBJECTS THEIR TERRITORY AND SUTEL BUREAU AND LOS ANGELES BY MAY TWENTY THREE NEXT.

IT IS ANTICIPATED THAT COMPLAINTS FILED AND WARRANTS WILL BE ISSUED DATED MAY TWENTY FOUR NEXT TO BE EXECUTED EARLY AM MAY TWENTY FIVE NEXT.

ALL OFFICES WILL BE ADVISED TUESDAY BY TEL THAT COMPLAINTS FILED. SHORT TEL WILL LEAVE LOS ANGELES WEDNESDAY MORNING ADVISING TO ARREST. ARRESTS TO BE COORDINATED BY LA.

FOLLOWING ARREST EACH OFFICE TELEPHONICALLY ADVISE LOS ANGELES THAT SUBJECT IN CUSTODY AND IF SEARCH INCIDENTIAL RECOVERED GAMBLING PARAPHERNALIA.

FOR INFO MIAMI IT IS UNDICIDED AT THIS TIME WHETHER PROCESS CAN BE OBTAINED FOR BOTH [redacted] b6 b7C [redacted] Assistant United States Attorney ~~A USA~~ DESIRES TO KNOW IF THERE IS INDEPENDENT EVIDENCE OTHER THAN TESTIMONY OF [redacted] TO ESTABLISH THAT [redacted] IS PRINCIPAL [redacted] ALSO CAN [redacted] BE CHARACTERIZED AS AN INFORMANT OF KNOWN RELIABILITY FOR AFFIDAVIT PURPOSES AND WAS [redacted] IDENTIFIED OR DEVELOPED AS A SOURCE AS THE RESULT OF INFO FROM [redacted] b2 b6 b7C b7D FORMER [redacted] DID [redacted] LEAVE [redacted]

END PAGE THREE

EMPLOYMENT PRIOR TO DISCONTINUANCE OF ABOVE SOURCE.

ADDITIONAL TAPES OF CONVERSATIONS BY [redacted] WHEN USING BLUE BOX ARE CURRENTLY BEING TRANSCRIBED AND MAY FURNISH ADDITIONAL EVIDENCE TO STRENGTHEN CASE AGAINST [redacted] MIAMI WILL BE ADVISED OF ANY PERTINENT INFO.

b6
b7C

END

WA...HFL

FBI WASH DC

AT...JDW

FBI ATLANTA

BA...JPB

FBI BALTO

CE...JLM

FBI CHARLT

ME, MM, NK, NO HAVE BEEN ADVISED

CLR

cc M. Rosen

SENT BY CODED TELETYPE

CODE

5-24-66

b6
b7C

TELETYPE URGENT

1 - Mr. DeLoach
1 - Mr. Wick
1 - Mr. Rosen
1 - Mr. Gale
1 - Mr. McAndrews
1 - [redacted]

PF

2

TO SACS NEW ORLEANS
LOS ANGELES

FROM DIRECTOR FBI

[redacted] AKA, ET AL, ITAR - GAMBLING; ITWP; FRAUD BY WIRE - CONSPIRACY.

RE NEW ORLEANS TELEPHONE CALL TO BUREAU THIS DATE AND FOR INFORMATION LOS ANGELES.

NEW ORLEANS OFFICE ADVISES EUGENE ANTHONY NOLAN PLANS DEPARTURE NEW ORLEANS SEVEN THIRTY A.M., CST, MAY TWENTYFIVE NEXT. NEW ORLEANS HAS BEEN INSTRUCTED TO ARREST NOLAN IN NEW ORLEANS AFTER HE LEAVES HIS RESIDENCE, AFTER SEVEN A.M., CST. FOR FURTHER INFORMATION LOS ANGELES, NOLAN PLANS TO FLY TO HOUSTON AND WILL BE ACCOMPANIED BY HIS WIFE AND ATTORNEY.

REC-24 166-1765-44

NOTE: At 8:00 p.m., this date, SA [redacted] New Orleans Division, advised it has been determined Eugene Anthony Nolan was planning to leave New Orleans 7:30 a.m., CST, 5-25-66 for Houston, purpose of trip to Houston unknown at this time. New Orleans advises last available information is that Nolan is expected to be tried on a gambling charge at Houston on 5-31-66. He is to be accompanied by his wife and attorney. New Orleans instructed to arrest Nolan in New Orleans after he leaves his residence, after 7:00 a.m. Instructions being confirmed to New Orleans and furnished to Los Angeles for information. [redacted] Crime Records Division advised of foregoing.

Tolson
DeLoach
Mohr
Wick
Casper
Callahan
Conrad

VIA TELETYPE
MAY 25 1966
ENCIPHERED

51 JUN 8 1966

53 JUN 8 1966

EES:mlp (9)

MAIL ROOM TELETYPE UNIT

SI 10 MAY 25 1966

NR. 250240
ENC. MSE
CK. RJT
APPROVED BY RMT
TYPED BY
LOGGED BY

F

FBI WASH DC

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

MAY 25 1966

TELETYPE

b6
b7C

Mr. Tolson
Mr. DeLoach
Mr. Mohr
Mr. Wick
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

FBI MEMPHIS

3:48PM CST URGENT 5-25-66 SCF

TO LOS ANGLES 166-462

FR AND BUREAU

Memo to Ident.
Date 6-3-66
Per

FROM MEMPHIS 166-329 1P

[redacted], AKA; ET AL ; ITWI; FBW DASH CONSPIRACY;

OO LOSANGLES.

RE URTEL MAY TWENTYTHREE LAST.

SUBJECT THOMAS MILTON BOYD APPREHENDED BY BUREAU AGENTS IN NASHVILLE, TENN., THIS DATE AND TAKEN BEFORE USC A.B. NEIL, JR. WHO RELEASED SUBJECT ON OWN RECOGNIZANCE PENDING ARRIVAL OF PAPERS FROM LOS ANGLES. NO EVIDENCE OF GAMBLING ACTIVITY LOCATED FROM SEARCH OF BOYD'S OFFICE, FOUR ONE FIVE DEADERICK STREET, NASHVILLE,

LOS ANGLES WILL REQUEST USM, LOS ANGLES, FORWARD NECESSARY PAPERS TO USM, NASHVILLE. P. END.

REC-82 166-7765-46

LA... CORR

WD GUXX FUGE OMITTED FROM TITLE

ST-104

MAY 26 1966

LA... WASHINGTON RCS

FBI WASH DC

MIN PLS SORRY

WA RCS

FBI WASH DC

ALREADY SENT OCXXX TO LA SORRY

OK TU

FD-36 (Rev. 5-22-64)

FBI

Date: 5/23/66

Transmit the following in _____ (Type in plaintext or code)

Via AIRTEL _____ (Priority)

TO : DIRECTOR, FBI (166-1765)
ATTENTION: [redacted] - CRIME RECORDS

FROM : SAC, BALTIMORE (166-447)

SUBJECT : [redacted] Aka.
ITWI; FBW - CONSPIRACY

OO: LOS ANGELES

Re Los Angeles airtel to Bureau, 5/10/66.
Baltimore teletype to Bureau, 5/23/66.

Enclosed for Bureau are two copies, and for Los Angeles one copy of photograph of HERBERT KAUFMAN which, although taken in 1958, is still a very good likeness.

ENCLOSURE ATTACHED

ENCLOSURE

REC-82 166-1765-47

(3 - Bureau (Encl.2)
1 - Los Angeles (Encl.1) (AIRMAIL)
2 - Baltimore
(1 - 166-447)
(1 - 162-186)
JSR:cm
(6)

5 MAY 24 1966

CRIME RESEARCH

NINE

51 JUN 8 1966

Approved: _____ Sent _____ M Per _____
Special Agent in Charge

ENCLOSURE

ENCLOSURE

164-1764-47

Enclosure to BUREAU

Number of Enclosures Two

BA File No. 166-447

BA (report) (letter) airtel dat

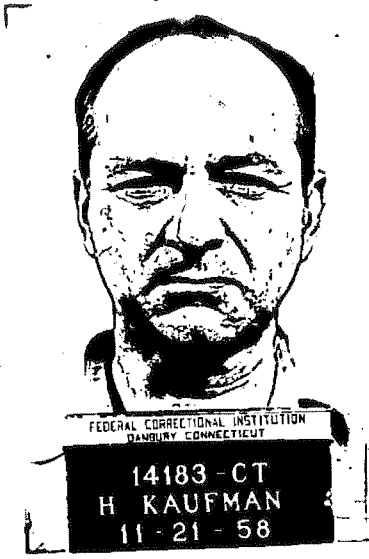
5/23/66 File No. BU 166-1765

Title [redacted] Aka. b6 b7C

Character ITWI; FBW - CONSPIRACY

Descr. of Encl.

2 photos of HERBERT KAUFMAN.



HERBERT KAUFMAN
FBI #817 730 C
COPY

HERBERT KAUFMAN
White
Male
DOB: 11/30/10, Balto., Md.
5'10½"
175 lbs.
Heavy build
Dark brown (balding) hair
Brown eyes
Medium complexion
No military service
Registered for Sel. Serv. at
Balto., Md., Classified 4-F
Occupation - Real estate business
Residence: 3600 Labyrinth Rd.,
Baltimore, Md.
FBI No. 817 730 C

FD-65 (Rev. 3-25-63)
OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27
5010-106

510
JUN 1 1966 R472

UNITED STATES GOVERNMENT

Memorandum

TO : Director, FBI (Att.: Special Investigative Division)

DATE: 5/24/66
Office of Origin: LOS ANGELES

FROM : SAC, LOS ANGELES (166-534)

O.O. File No. _____
(If other than submitting office)

SUBJECT: VIRGIL SALATHIEL - FUGITIVE
FBW

[redacted]

b6
b7C

In order that a fugitive index card may be prepared without delay, the following information is furnished:

☐ Probation violator's warrant issued by USDC for District of _____

_____, (date) _____

☒ Warrant issued by ☒ U. S. Commissioner ☐ Clerk, USDC at Los Angeles

California, (date) 5/24/66

Date probation violator or bond default case referred to office _____

Name and Aliases:	FBI #
VIRGIL SALATHIEL "FUGITIVE CARDS PREPARED 5-31-66 dem"	Other Identifying #

Offense Charged: Fraud By Wire

Title 18 , **U. S. Code, Section** 1343

If an indictment or information is outstanding specify which, giving date and place of issuance: _____

Description

Sex	Race	Complexion	Age	Birth date	Birthplace
☒ Male ☐ Female	white			4/28/18	Oklahoma City, Okla.
Height	**Weight**	**Build**	**Hair**	**Eyes**	**Residence** 5055 Walnut Hill Lane, Dallas, Texas
Nationality		**Marital status**		**Fingerprint classification (where applicable)**	

Scars, marks and other identifying remarks

MCT 43
REC 40 166-1765-49

18 MAY 26 1966

Occupation Owner: Teco Company, Inglewood, California
Todd Industries, Dallas, Texas

(1) Bureau (AIN) 5 1966
1 - Los Angeles
TLD/mjg (2)

4-22 (Rev. 1-22-60)

Federal Bureau [illegible]ation
Records Br[illegible]

6 · 2, 1966

(1) Name Searching Unit - Room 6527
(2) Service Unit - Room 6524
Forward to File Review
Attention [redacted]
(3) Return to [redacted] 1243
Room Ext.

Type of References Requested:
- [ ] Regular Request (Analytical Search)
- [ ] All References (Subversive & Nonsubversive)
- [ ] Subversive References Only
- [ ] Nonsubversive References Only
- [ ] Main ______ References Only

Alien Marines & Subv Ins

Type of Search Requested:
- [ ] Restricted to Locality of ______
- [ ] Exact Name Only (On the Nose)
- [ ] Buildup [ ] Variations

JUN 3 1966

Subject Virgil Salathiel
Birthdate & Place
Address

Localities
R# 472 Date 6-2-66 Searcher Initials 510

Prod.

	FILE NUMBER	SERIAL
	87-86712	has inf pls
	166-1765 I	has inf pls

JUN 7 1966

b6
b7C

FD-65 (Rev. 3-25-63)
OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27
5010-106

UNITED STATES GOVERNMENT

Memorandum

TO : Director, FBI (Att.: Special Investigative Division)

DATE: 5/24/66

Office of Origin: Los Angeles

FROM : SAC, LOS ANGELES (166-462)

O.O. File No. _____
(If other than submitting office)

SUBJECT: HENRY E. LOMAN - FUGITIVE
ITW [redacted]

b6
b7C

In order that a fugitive index card may be prepared without delay, the following information is furnished:

☐ Probation violator's warrant issued by USDC for District of _____, (date) _____

☒ Warrant issued by ☒ U. S. Commissioner ☐ Clerk, USDC at Los Angeles, California, (date) 5/24/66

Date probation violator or bond default case referred to office _____

Name and Aliases:	FBI #
HENRY EDWARD LOMAN	745 790
	Other Identifying #

Offense Charged: Interstate Transmission of Wagering Information

Title 18, U. S. Code, Section 1084

If an indictment or information is outstanding specify which, giving date and place of issuance: _____

Description

Sex ☐ Male ☐ Female	Race	Complexion	Age	Birth date	Birthplace
Height	Weight	Build	Hair	Eyes	Residence
Nationality		Marital status		Fingerprint classification (where applicable)	
Scars, marks and other identifying remarks					
Occupation					

MCT 43 MAR 31 11 SEY
REC 5 166-1765-51
ST 103
19 MAY 26 1966
19 JUN 7 1966

1 - Bureau
~~1 - Los Angeles~~
JRB:jbt
(2)

4-22 (Rev. 1-22-60)

Federal Bureau of Investigation
Records Branch

6/1, 19__

- [ ] Name Searching Unit - Room 6527
- [ ] Service Unit - Room 6524
- [x] Forward to File Review
- [ ] Attention [redacted]
- [x] Return to [redacted] 1243

Supervisor Room Ext.

b6
b7C

Type of References Requested:

- [ ] Regular Request (Analytical Search)
- [ ] All References (Subversive & Nonsubversive)
- [ ] Subversive References Only
- [ ] Nonsubversive References Only
- [ ] Main ______ References Only

All Mains + Sub Serials

Type of Search Requested:

- [ ] Restricted to Locality of ______
- [ ] Exact Name Only (On the Nose)
- [ ] Buildup
- [ ] Variations

JUN 3 1966

Subject Henry Ellwood Loman
Birthdate & Place ______
Address ______

Localities ______
R# 180 Date 6/2 Searcher Initials 137
Prod. ______

	FILE NUMBER	SERIAL
	166-1763	
	TBF [redacted]	

JUN 6 1966

SAC, Los Angeles (166-462) 6/8/66

REC-134

Director, FBI (166-1765)-56

EX 109

THOMAS MILTON BOYD
FUGITIVE
ITWI

A review of Bureau files indicates one Thomas Milton Boyd, same date of birth as your fugitive was the subject of an Interstate Gambling Activities - Wire Service, investigation conducted in 1961 by the Memphis Office, their file 162-37.

Bureau files indicates one Thomas Milton Boyd, whose physical description is similar with that of your fugitive was the subject of an ITWI investigation conducted in 1962 by the Memphis Office, their file 165-8.

The above is being submitted for your information and possible assistance.

MAILED 3
JUN 8 1966
COMM-FBI

Tolson
DeLoach
Mohr
Wick
Casper
Callahan
Conrad
Felt
Gale
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

JJH:saw
(4)

EF-58

MAIL ROOM ☐ TELETYPE UNIT ☐

FD-65 (Rev. 3-25-63)
OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27
5010-106

UNITED STATES GOVERNMENT

Memorandum

TO : Director, FBI (Att.: Special Investigative Division)

DATE: 5/24/66

Office of Origin: Los Angeles

FROM : SAC, Los Angeles (166-462)

O.O. File No. 166-462
(If other than submitting office)

SUBJECT: THOMAS MILTON BOYD - [redacted]
ITWI

b6
b7C

In order that a fugitive index card may be prepared without delay, the following information is furnished:

☐ Probation violator's warrant issued by USDC for District of _____, (date) _____

☒ Warrant issued by ☒ U. S. Commissioner ☐ Clerk, USDC at Los Angeles, (date) 5/24/66

Date probation violator or bond default case referred to office _____

Name and Aliases:	FBI #
THOMAS MILTON BOYD FUGITIVE CARDS PREPARED 6-2 Date by	Other Identifying #

Offense Charged: Interstate Transmission of Wagering Information

Title 18, U. S. Code, Section 1084

If an indictment or information is outstanding specify which, giving date and place of issuance: —

MCT-43
Description NEC 30 166-1765-56

Sex	Race	Complexion	Age	Birth date	Birthplace
☒ Male ☐ Female	White	Fair	36	2/14/30	Nashville, Tennessee
Height	**Weight**	**Build**	**Hair**	**Eyes**	**Residence**
6'	220	Obese	Dark Brown	Blue	212 Rolling Fork Court Nashville, Tennessee
Nationality	**Marital status**	**Caution statement (where applicable)**			
American	Married				

Scars, marks and other identifying remarks

Wears dark rimmed glasses

Occupation: Partner in operation Uptown Recreation Center, Nashville, Tennessee

MAY 26 1966

(1) - Bureau
1 - Los Angeles
WJN:CM
(2)

(Rev. 1-22-60)
Federal Bureau of Investigation
Records Branch

6- , 1966

(1) Name Searching Unit - Room 6527
Service Unit - Room 6524
(2) Forward to File Review
Attention
(3) ✓ Return to [redacted]
Supervisor Room Ext.

Type of References Requested:
- [ ] Regular Request (Analytical Search)
- [ ] All References (Subversive & Nonsubversive)
- [ ] Subversive References Only
- [ ] Nonsubversive References Only
- [x] Main *crim & subv* References Only *and subv refs*

Type of Search Requested:
- [x] Restricted to Locality of *Tenn Cal. Ala*
- [ ] Exact Name Only (On the Nose)
- [ ] Buildup
- [ ] Variations

Subject *Boyd, Thomas Milton*
Birthdate & Place
Address
JUN 4 1966
Localities
R# *6W* Date *6/3* Searcher Initials *AA*
Prod. *38*

	FILE NUMBER	SERIAL
I	162-63 *given info pls*	
I	165-37 *given inf. pls*	
I	166-1765 *has info. pls*	
	Thomas	
NR	67-3443-796	*1365*
N	100-370750-123	

JUN 8 1966

FD-65 (Rev. 3-25-63)
OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27
5010-106

JUN 2 1966

502

R628

UNITED STATES GOVERNMENT

Memorandum

TO : Director, FBI (Att.: Special Investigative Division)

DATE: 5/24/66

Office of Origin: LOS ANGELES

FROM : SAC, LOS ANGELES (166-506)

O.O. File No. ________
(If other than submitting office)

SUBJECT: CARL LOVELACE CLEMENT - FUGITIVE [redacted]
FBW

b6
b7C

In order that a fugitive index card may be prepared without delay, the following information is furnished:

☐ Probation violator's warrant issued by USDC for District of ________, (date) ________

☒ Warrant issued by ☒ U. S. Commissioner ☐ Clerk, USDC at Los Angeles, California, (date) 5/24/66

Date probation violator or bond default case referred to office ________

Name and Aliases:	FBI #
CARL LOVELACE CLEMENT FUGITIVE CARDS PREPARED 6-2 (Date) by [initials]	Other Identifying # U.S.Army Serial No. 6255185

Offense Charged: Fraud By Wire

Title 18, U. S. Code, Section 1343

If an indictment or information is outstanding specify which, giving date and place of issuance: ________

Description

Sex	Race	Complexion	Age	Birth date	Birthplace
☒ Male ☐ Female	W	medium	52	11/24/13	Paris, Tennessee

Height	Weight	Build	Hair	Eyes	Residence
5'6"	155	medium	bald brown	blue-grey	9336 Lemona, Sepulveda, Calif.

Nationality	Marital status	Caution statement (where applicable)
American	married	

Scars, marks and other identifying remarks

mole - right cheek

Occupation

Engineer

MCT-43

166-1765-57

REC 29

MAY 26 1966

1 - Bureau
1 - Los Angeles
TLD/mjg (2)

JUN 3 1966

4-22 (Rev. 1-22-60)

Federal Bureau of Investigation
Records Branch

-2, 1966

[x] Name Searching Unit - Room 6527
[ ] Service Unit - Room 6524
[ ] Forward to File Review
[ ] Attention [redacted]
[ ] Return to
Supervisor Room Ext.

b6
b7C

Type of References Requested:
[ ] Regular Request (Analytical Search)
[ ] All References (Subversive & Nonsubversive)
[ ] Subversive References Only
[ ] Nonsubversive References Only
[x] Main S References Only

Type of Search Requested:
[ ] Restricted to Locality of ______
[ ] Exact Name Only (On the Nose)
[ ] Buildup [ ] Variations

JUN 6 1966

Subject Clement, Carl Lovelace
Birthdate & Place
Address

Localities
R# 6R Date 6/3 Searcher Initials 502
Prod. 20

	FILE NUMBER	SERIAL
✓	166-1765 has info. pls	
	Carl L	
NI	97-3174-66 V 3	
	Carl	
NI	100-165619-1	

JUN 8 1966

FD-65 (Rev. 3-25-63)
OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27
5010-106

UNITED STATES GOVERNMENT

Memorandum

TO : Director, FBI (Att.: Special Investigative Division)

DATE: 5/24/66

Office of Origin: LOS ANGELES

FROM : SAC, LOS ANGELES (166-516)

O.O. File No. _____
(If other than submitting office)

SUBJECT: GRAY HOFFM[redacted]
FBW

b6
b7C

In order that a fugitive index card may be prepared without delay, the following information is furnished:

☐ Probation violator's warrant issued by USDC for District of _____, (date) _____

☒ Warrant issued by ☒ U. S. Commissioner ☐ Clerk, USDC at Los Angeles, California, (date) 5/24/66

Date probation violator or bond default case referred to office _____

Name and Aliases:

GRAY HOFFMAN

FBI #

Other Identifying #

Offense Charged: Fraud By Wire

Title 18, **U. S. Code, Section** 1343

If an indictment or information is outstanding specify which, giving date and place of issuance: _____

Description

Sex	Race	Complexion	Age	Birth date	Birthplace
☒ Male ☐ Female	white	medium	45	9/23/20	San Francisco, Calif.
Height	**Weight**	**Build**	**Hair**	**Eyes**	**Residence**
6'	178	slim	black	brown	212 S. Mariposa Burbank, Calif.
Nationality		**Marital status** single		**Caution statement (where applicable)**	

Scars, marks and other identifying remarks

Occupation Production Control Manager, Kahr Bearing Corporation, Burbank

MCT-43 166-1765-54
REC 70
18 MAY 26 1966

5 JUN 8 1966
Bureau
1 - Los Angeles
TLD/mjg (2)

166-1765-60

CHANGED TO

165-42-126X

AUG 5 1971

BC/Lmd

SAC, Los Angeles (166-462) 6/8/66

Director, FBI (166-1765) - 61
DEC 135
ST-105

HERBERT KAUFMAN
FUGITIVE
ITWI

A review of Bureau files indicates Herbert Kaufman, FBI #817 730C, was the subject of an IGA investigation conducted in 1964 by the Baltimore Office, their file 162-186.

The above is being submitted for your information and possible assistance.

MAILED 18
JUN 8 1966
COMM-FBI

Tolson
DeLoach
Mohr
Wick
Casper
Callahan
Conrad
Felt
Gale
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

JJH:pjo
(4)

MAIL ROOM ☐ TELETYPE UNIT ☐

JUN 10 1966

FD-65 (Rev. 3-25-63)
PROFESSIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27

UNITED STATES GOVERNMENT

Memorandum

TO : Director, FBI (Att.: Special Investigative Division)

DATE: 5/24/66

Office of Origin: ~~Los Angeles~~

FROM: SAC, LOS ANGELES (166-462)

O.O. File No. _____
(If other than submitting office)

SUBJECT: HERBERT KAUFMAN - FUGITIVE
ITWI

In order that a fugitive [redacted] information is furnished: b6 b7C

☐ Probation violator's warrant issued by USDC for District of _____, (date) _____

☒ Warrant issued by ☒ U. S. Commissioner ☐ Clerk, USDC at Los Angeles, (date) 5/24/66

Date probation violator or bond default case referred to office _____

Name and Aliases:	FBI #
HERBERT KAUFMAN	817 730 C
	Other Identifying #

Offense Charged: Interstate Transmission of Wagering Information

Title 18, U. S. Code, Section 1084

If an indictment or information is outstanding specify which, giving date and place of issuance:

Description

Sex ☐ Male ☐ Female	Race	Complexion	Age	Birth date	Birthplace
Height	Weight	Build	Hair	Eyes	Residence
Nationality		Marital status		Caution statement (where applicable)	
Scars, marks and other identifying remarks					
Occupation					

REC-35 166-1765-61

MCT-43

18 MAY 26 1966

1 - Bureau
1 - Los Angeles
JRB:jbt
(2)

4-22 (Rev. 1-22-60)

Federal Bureau of Investigation
Records Branch

_____, 19__

- [x] Name Searching Unit - Room 6527
- [ ] Service Unit - Room 6524
- [ ] Forward to File Review
- [ ] Attention
- [x] Return to

Supervisor Room Ext.

b6
b7C

Type of References Requested:

- [ ] Regular Request (Analytical Search)
- [ ] All References (Subversive & Nonsubversive)
- [ ] Subversive References Only
- [ ] Nonsubversive References Only
- [x] Main all References Only

Subversives

Type of Search Requested:

- [x] Restricted to Locality of Calif on see ref.
- [ ] Exact Name Only (On the Nose)
- [ ] Buildup [ ] Variations

JUN 3 1966

Subject Herbert Kaufman

Birthdate & Place

Address

Localities

R# 6-8-66 Date 6/2/66 Searcher Initials 537

Prod.

	FILE NUMBER	SERIAL
I	166-1765	has info. pla
I	166-788	given info. pla
NR	100-41793	
NK	100-262-71	1P
NK	137-1925	
NI	49-862	~~RTC~~ ~~RTC~~
NI	61-7560-5894 p#15	
NI	100-26547-1	
NI	65-24529-11	1966

JUN 7

1

FD-65 (Rev. 3-25-63)
OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27
5010-106

UNITED STATES GOVERNMENT

Memorandum

TO : Director, FBI (Att.: Special Investigative Division)

DATE: 5/24/66

Office of Origin: Los Angeles

FROM : SAC, LOS ANGELES (166-462)

O.O. File No. _____
(If other than submitting office)

SUBJECT: EUGENE ANTHONY NOLAN - FUGITIVE
ITWI

In order that a fugitive index card may be prepared without delay, the following information is furnished:

b6
b7C

☐ Probation violator's warrant issued by USDC for District of _____, (date) _____

XX Warrant issued by ☒ U. S. Commissioner ☐ Clerk, USDC at Los Angeles, California, (date) 5/24/66

Date probation violator or bond default case referred to office _____

Name and Aliases:	FBI #
EUGENE ANTHONY NOLAN "FUGITIVE" PREPARED 6-1-66 Date By.	301 322 E
	Other Identifying #

Offense Charged: Interstate Transmission of Wagering Information

Title 18, U. S. Code, Section 1084

If an indictment or information is outstanding specify which, giving date and place of issuance: _____

Description

Sex ☐ Male ☐ Female	Race	Complexion	Age	Birth date	Birthplace
Height	Weight	Build	Hair	Eyes	Residence
Nationality		Marital status		Caution statement (where applicable)	
Scars, marks and other identifying remarks					
Occupation					

REC-24 166-1765-63

MCT-43 IST-103

1s MAY 26 1966

1 - Bureau
1 - Los Angeles
5 FRB:jmt
(2)

JUN 13 1966

4-22 (Rev. 1-22-60)

Federal Bureau of Investigation

Records Branch

_______________, 19__

b6
b7C

- [x] Name Searching Unit - Room 6527
- [ ] Service Unit - Room 6524
- [x] Forward to File Review
- [ ] Attention [redacted]
- [x] Return to [redacted] Ext.

Type of References Requested:

- [ ] Regular Request (Analytical Search)
- [ ] All References (Subversive & Nonsubversive)
- [ ] Subversive References Only
- [ ] Nonsubversive References Only
- [x] Main ___ References Only
  [illegible]

Type of Search Requested:

- [ ] Restricted to Locality of
- [ ] Exact Name Only (On the Nose)
- [ ] Buildup
- [ ] Variations

JUN 3 1966

Subject [illegible], Eugene Anthony

Birthdate & Place

Address

Localities

R# 630 Date 6-3

Prod.

Searcher Initials 526

	FILE NUMBER	SERIAL
I	166-1319	
I	162-1021	
I	165-1913	
I	166-1765 HAVE	
I	137-11353-9	
	Eugene A	
NI	100-7319-37304	
I	62-104518-176	ID
	Eugene	
NR	26-26292	Rte
I	137-9090-195	R55 11c
I	66-2542-11-65-65	
NI	100-13 4470-102	
NI	100-135-28-25	JUN 10 1966
	E. A	
NI	61-9625-1	
NI	65-35689-X	Oh
	Anthony	
NI	100-179849	

4-22a (Rev. 11-17-59)

NUMEROUS REFERENCE

SEARCH SLIP

Subj: Nolen, Eugene Anthony

Supervisor _____ Room _____

R# 6372 Date 6/2 Searcher Initial SJG

Prod. /

	FILE NUMBER	SERIAL
	Anthony Eugene	
1	44-24616-634 PAA	
	Gene (AKA)	
	SI	

FD-65 (Rev. 3-25-63)
OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27

5010-106

UNITED STATES GOVERNMENT

Memorandum

TO : Director, FBI (Att.: Special Investigative Division)

DATE: 5/24/66

Office of Origin: Los Angeles

FROM : SAC, Los Angeles (166-507)

O.O. File No. 166-507
(If other than submitting office)

SUBJECT: JOE SOLDIS - FUGITIVE
FBW

[redacted]

b6
b7C

In order that a fugitive index card may be prepared without delay, the following information is furnished:

☐ Probation violator's warrant issued by USDC for District of _____, (date) _____

☒ Warrant issued by ☒ U. S. Commissioner ☒ Clerk, USDC at Los Angeles, California, (date) 5/24/66

Date probation violator or bond default case referred to office _____

Name and Aliases:	FBI #
JOSEPH PETER SOLDIS, aka Joe Soldis	
FUGITIVE CARDS PREPARED 6-1-66 CM Date	Other Identifying # By

Offense Charged: Fraud by Wire

Title 18, **U. S. Code, Section** 1343

If an indictment or information is outstanding specify which, giving date and place of issuance: _____

Description

Sex	Race	Complexion	Age	Birth date	Birthplace
☒ Male ☐ Female	White	Ruddy	36	3/28/30	Derby, Connecticut
Height	**Weight**	**Build**	**Hair**	**Eyes**	**Residence**
5'10"	210	Heavy	Brown	Blue	4612 Sharynne Lane, Torrance, California
Nationality	**Marital status**		**Caution statement (where applicable)**		
American	Married		REC-24 166-507-65-64		

Scars, marks and other identifying remarks

MCJ-43
ST-103

18 MAY 26 1966

Occupation
Salesman-Engineer

51 JUN 8 1966

1 - Bureau
1 - Los Angeles
WJN:ECM (2) JUN 3 1966

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

MAY 25 1966

TELETYPE

b6
b7C

Mr. Tolson
Mr. DeLoach
Mr. Mohr
Mr. Wick
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

FBI CHARLT

1258 PM EST URGENT 5-25-66 BSH

TO DIRECTOR (166-1765) LOS ANGELES (166-462) AND MIAMI

FROM CHARLOTTE (162-185)

[redacted]

[redacted] AKA., ET AL, ITWI; FBW - CONSPIRACY,

OO: LOS ANGELES.

Memo to Ident.
Date 6-2-66
Per [redacted]

RE LOS ANGELES TELETYPE TO BUREAU MAY TWENTYTHREE LAST, AND CHARLOTTE TEL CALL TO BUREAU TODAY.

HENRY E. LOMAN ARRESTED BY FBI AGENTS AT GREENSBORO N.C., MAY TWENTYFIVE SIXTYSIX WITHOUT INCIDENT. NO SEARCH INCIDENTAL TO ARREST NEGATIVE. HE WAS TAKEN BEFORE USC HERMAN WINFREE WHERE BOND SET AT TWENTYFIVE HUNDRED DOLLARS. HIS REMOVAL HEARING SET FOR JUNE ONE NEXT.

LOS ANGELES CONTACT USA'S OFFICE AND REQUEST NECESSARY CERTIFIED PAPERS BE FORWARDED TO USM, MDNC, GREENSBORO, N.C., FORTHWITH.

REPORT FOLLOWS.

END.

WA TMA

FBI WASH DC

LA PLS

FBI LOS ANG.

MM SAR

FBI MIAMI

REC-38 166-1765-67

ST-108

3 MAY 26 1966

56 JUN 3 1966

51 JUN 8 1966

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27

5010-106

UNITED STATES GOVERNMENT

Memorandum

b6
b7C

Tolson
DeLoach
Mohr
Wick
Casper
Callahan
Conrad
Felt
Gale
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

TO : Mr. DeLoach

DATE: May 23, 1966

FROM : J. H. Gale

SUBJECT: [redacted]
ALSO KNOWN AS
INTERSTATE TRANSPORTATION IN
AID OF RACKETEERING - GAMBLING
INTERSTATE TRANSMISSION OF
WAGERING INFORMATION
FRAUD BY WIRE - CONSPIRACY

The Los Angeles Office is origin in a wide-spread investigation involving the use of an electronic device, a multi-frequency tone generator, commonly known as the "blue box." This device is used to make long distance telephone calls circumventing normal telephone company long distance billing procedures and, in the case of gamblers, detection of the individuals called. Telephone company records at Los Angeles reflect that there are or have been numerous users of this device. Investigation has disclosed that this device is being manufactured in the Los Angeles area by several electronic engineers. Individuals using this device fall within two classes: (a) gamblers, and (b) salesmen and other legitimate businessmen who are merely circumventing costs of interstate calls.

Investigation of gamblers involved has disclosed that [redacted] principal subject in this case, has been in contact with numerous gamblers throughout the country and has placed bets or obtained gambling information in telephone conversations with these individuals, doing so on the instructions and orders of nationally known Miami gambler, [redacted]

Assistant U. S. Attorney John Lally, Chief of the Organized Crime Section, United States Attorney's Office, Los Angeles, stated it was his opinion that users of the "blue box" were in violation of Fraud by Wire Statute if calls were made interstate utilizing this device. In addition, he advised that users of this device could be prosecuted for violation of the Federal gambling statutes if the "blue box" were used in interstate calls in furtherance of gambling operations.

EX-112 REC-27 166-17605-69

MAY 26 1966

1 - Mr. DeLoach
1 - Mr. Wick
1 - Mr. Rosen
1 - Mr. Gale
1 - Mr. McAndrews
1 - [redacted]

51-JUN 7 1966

PJB:dsa (7)

CONTINUED - OVER

[redacted]

Memorandum to Mr. DeLoach
Re: [redacted] b6 b7C

Assistant U. S. Attorney Lally stated that if the telephone company, acting on company initiative and not at the request of the FBI, monitored individuals using this device, any tapes made during the monitoring would be admissable evidence. Officials of the telephone company, in accord with Assistant U. S. Attorney Lally's opinion, [redacted] b3

Assistant U. S. Attorney John Lally has confirmed he would authorize filing complaints under the Interstate Transmission of Wagering Information Statute against [redacted], nationally known gambling figure, Bay Harbor Island, Florida, and the following well-known gambling figures throughout the country: Herbert Kaufman, Baltimore, Maryland; [redacted], Conyers, Georgia; Thomas Milton Boyd, Nashville, Tennessee; [redacted], Union City, New Jersey; [redacted] and [redacted] both of Los Angeles, California. Assistant U. S. Attorney Lally is giving consideration to prosecution of gambling figures Eugene Nolan, Baton Rouge, Louisiana, Henry E. Loman, Greensboro, North Carolina, [redacted] and [redacted], of Miami. Other complaints will be authorized against a number of businessmen under the Fraud by Wire Statute and against the electronic engineers involved in the manufacture of these devices. b6 b7C

All offices have been alerted to determine the whereabouts of the subjects. Complaints will be filed and warrants issued May 24, 1966, to be executed on May 25, 1966.

Los Angeles Office will coordinate the arrests and consideration is being given to a national press release by the Bureau.

ACTION:

For information. You will be kept advised of all pertinent developments in this case.

FD-263 (Rev. 9-17-65)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
CHARLOTTE	LOS ANGELES	5/26/66	5/24 - 25/66

TITLE OF CASE

[redacted] Aka; - FUG.;
HENRY E. LOMAN, aka. - FUGITIVE;
ETAL

REPORT MADE BY: SA [redacted]

TYPED BY: JB

b6
b7C

CHARACTER OF CASE

custody CH tel 5-25

ITWI; FBW - CONSPIRACY

6 - 3

custody ✓ A 5/26

165
166-1 fug

REFERENCE

Los Angeles teletype to the Bureau 5/23/66.
Bureau teletype to Atlanta 5/24/66.
Charlotte teletype to the Bureau 5/25/66. per 67

- P -

LEAD

CHARLOTTE

AT GREENSBORO, N.C.

Will follow and report results of removal hearing to be afforded subject HENRY E. LOMAN 6/1/66.

C

Case has been: Pending over one year ☐ Yes ☒ No; Pending prosecution over six months ☐ Yes ☒ No

APPROVED [signature] SPECIAL AGENT IN CHARGE

A* DO NOT WRITE IN SPACES BELOW

COPIES MADE: COVER PAGE

3 - Bureau (166-1765)
1 - USA, Greensboro, N.C.
3 - Los Angeles (166-462)
(1 - USA, Los Angeles, Calif.)
2 - Charlotte (162-185)

166-1765-70

REC-42

14 MAY 31 1966

FUG. SUP.

Dissemination Record of Attached Report

Agency	2 CC, AAG, Criminal Division, Organized Crime & Racketeering Section
Request Recd.	
Date Fwd.	Room 2529
How Fwd.	
By	JUN 24 1966

Notations

6/2/66

NINE STAT. SECT.

FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: USA, Greensboro, North Carolina
USA, Los Angeles, California

b6
b7C

Report of: SA [redacted] Office: CHARLOTTE
Date: 5/26/66

Field Office File #: 162-185 Bureau File #: 166-1765

Title: [redacted]
HENRY E. LOMAN; ETAL

Character: INTERSTATE TRANSPORTATION OF WAGERING INFORMATION;
FRAUD BY WIRE - CONSPIRACY

Synopsis:

HENRY E. LOMAN arrested at Greensboro, N.C., 5/25/66. He appeared before USC HERMAN WINFREE, at which time his bond was set at $2500. LOMAN to be afforded hearing 6/1/66.

- P -

DETAILS

FD-302 (Rev 4-15-64)

b6
b7C

FEDERAL BUREAU OF INVESTIGATION

1

Date 5/26/66

HENRY E. LOMAN, Route 5, Box 856, Greensboro, North Carolina, was arrested on May 25, 1966, by SAs [redacted] and [redacted]

At the time of the arrest of LOMAN, a .38 caliber Smith and Wesson revolver, serial number 591527, was obtained from a night chest in Mr. LOMAN's bedroom.

A deposit receipt in the amount of $100 from the Southern Bell Telephone and Telegraph Company was also obtained. This receipt indicated that one [redacted] had on May 19, 1966, deposited the amount of $100 for telephone service.

Mr. LOMAN was advised by SA [redacted] that he did not have to make a statement, that any statement he did make could be used against him in a court of law, that he could consult an attorney or anyone else prior to furnishing any information and that if he could not pay for an attorney the judge would appoint one for him.

Mr. LOMAN denied participation in any type gambling activity and denied being acquainted with [redacted]

The following background and descriptive data was obtained through observation and interrogation:

Name	HENRY E. LOMAN
Residence	Route 5, Box 856 (Wilcox Drive), Greensboro, North Carolina
Race	White
Sex	Male
Age	49

2

On 5/25/66 at Greensboro, N.C. File # Charlotte 162-185

SAs [redacted]

by [redacted] /jb Date dictated 5/26/66

CE 162-185

2

Date of Birth	August 16, 1916, Guilford County, North Carolina
Hair	Brown
Eyes	Blue
Height	67½"
Weight	140 pounds
Marital Status	Married [redacted]
Occupation	Salesman

b6
b7C

LOMAN appeared before U. S. Commissioner HERMAN WINFREE on May 25, 1966, at which time his bond was set at $2,500. LOMAN's removal hearing was set for June 1, 1966.

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

MAY 25 1966

TELETYPE

b6
b7C

Mr. Tolson	
Mr. DeLoach	
Mr. Mohr	
Mr. Wick	
Mr. Casper	
Mr. Callahan	
Mr. Conrad	
Mr. Felt	
Mr. Gale	
Mr. Rosen	
Mr. Sullivan	
Mr. Tavel	
Mr. Trotter	
Tele. Room	
Miss Holmes	
Miss Gandy	

FBI DALLAS

5:59 PM CST URGENT 5/25/66 JDP

TO DIRECTOR (166-1765) AND LOS ANGELES (166-462)

FROM DALLAS (166-241)

[redacted] AKA - FUGITIVE; ET AL - FUGITIVES, ITAR - GAMBLING; ITWP; FBW - CONSPIRACY. OO - LOS ANGELES.

RE DALLAS TELETYPE THIS DATE, ADVISING SALATHIEL APPREHENDED.

VIRGIL SALATHIEL ARRAIGNED THIS DATE BEFORE USC [redacted], NDT, DALLAS, AND WAS REPRESENTED BY DALLAS ATTORNEYS [redacted] ATTORNEYS REQUESTED A FULL HEARING BEFORE USC, WHICH WAS SET FOR JUNE THREE, NINETEEN SIXTYSIX. SALATHIEL POSTED A FIFTEEN HUNDRED DOLLAR CASH TEMPORARY BOND AND WAS RELEASED.

LOS ANGELES REQUESTED TO CONTACT USA AT LOS ANGELES HANDLING THIS MATTER IN ORDER TO HAVE NECESSARY WITNESSES AT HEARING AND FURNISH NECESSARY REPORTS TO USA'S OFFICE, DALLAS, FOR THEIR USE AT THE HEARING. - P-

END

[redacted]

REC-87 166-1765-72

4 MAY 27 1966

FBI/DOJ

...WA...NHH

FBI WASH DC

LA...PLS

FBI LOS ANG.

TU CC MR. ROSEN

56 JUN 3 1966

51 JUN 8 1966

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

MAY 25 1966

TELETYPE

Mr. Tolson	
Mr. DeLoach	
Mr. Mohr	
Mr. Wick	
Mr. Casper	
Mr. Callahan	
Mr. Conrad	
Mr. Felt	
Mr. Gale	
Mr. Rosen	
Mr. Sullivan	
Mr. Tavel	
Mr. Trotter	
Tele. Room	
Miss Holmes	
Miss Gandy	

b6
b7C

4:26 PM CST 5-25-66 URGENT TCS

TO: BUREAU AND LOS ANGELES

FROM: NEW ORLEANS (168-87)

[redacted] AKA, ET AL; ITAR - GAMBLING; ITWP;

FBW - CONSPIRACY.

Memo to Ident.
Date 6-2-66
Per

REBUTEL MAY TWENTYFIVE INSTANT.

EUGENE ANTHONY NOLAN SURRENDERED AT U. S. COMMISSIONER'S OFFICE, NEW ORLEANS, WITH ATTORNEY [redacted] AT APPROXIMATELY ONE TWENTY P.M., CST. AFFORDED COMMISSIONER'S HEARING AND RELEASED ON FIVE THOUSAND DOLLAR BOND.

NOLAN ADVISED USC THAT HE DESIRED A REMOVAL HEARING AND DATE OF HEARING SET BY USC AS MAY THIRTYONE NEXT. LOS ANGELES FORWARD NECESSARY INFORMATION FOR REMOVAL HEARING AND HAVE USA FORWARD APPROPRIATE PAPERS.

END

WA...JXM

FBI WASH DC

LA...PLS

FBI LOS ANG.

TU CLR P

REC-87 87-6[illegible]-1765-73

MAY 27 1966

JUN 8 1966

56 JUN 3 1966

cc Mr. Rosen

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

MAY 25 1966

TELETYPE

b6
b7C

Mr. Tolson
Mr. DeLoach
Mr. Mohr
Mr. Wick
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

FBI DALLAS

11-42 AM CST URGENT 5-25-66 EEA

TO DIRECTOR (166-1765) AND LOS ANGELES (166-462)

FROM DALLAS (166-241) 1-P

Memo to Ident.
Date 6-2-66
Per

[redacted] AKA; ETAL; ITAR - GAMBLING; ITWP; FRAUD BY WIRE - CONSPIRACY. RE DALLAS TELEPHONE CALL TO BUREAU, TODAY.

VIRGIL SALATHIEL, WM, BORN APRIL TWENTYEIGHT, EIGHTEEN, OKLAHOMA CITY, OKLA., ARRESTED THIS DATE AT SEVEN FIFTYFIVE A.M., AT HIS RESIDENCE, FIVE ZERO FIVE FIVE WALNUT HILL LANE, DALLAS, TEX. SALATHIEL ADMITTED IDENTITY BUT DENIED KNOWLEDGE OF OFFENSE IN COMPLAINT. SALATHIEL INCARCERATED DALLAS CO. JAIL AND BEING AFFORDED HEARING BEFORE USC, DALLAS, THIS DATE.

LOS ANGELES REQUESTED TO HAVE THE NECESSARY PAPERS CONCERNING SALATHIEL SENT TO USM, DALLAS. TEX.

END ACK PLS WA

LA TO BE ADVISED

IMA

FBI WASH DC

TU CLR

REC-87 166-1765-76

cc-Mr. Rosen

MAY 27 1966

51 JUN 8 1966

56 JUN 3 1966

FUGITIVE

NA 5125 66

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

MAY 25 1966

TELETYPE

b6
b7C

Mr. Tolson
Mr. DeLoach
Mr. Mohr
Mr. Wick
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

N\FBI WASH DC

FBI BALTO

P9:10 P M EDST URGENT 5- 25-66 VEM

TO DIRECTOR 166-1765 AND LOS ANGELES 166-462

FROM BALTIMORE 166- 447 1P

Memo to Ident.
Date 6-2-66
Per

[redacted] AKA ET AL ITWI, FBW- CONSPIRACY OO: LA

KAUFMAN APPREHENDED BY BUAGENTS TEN A.M. THIS DATE AT BUSINESS ADDRESS, ONE SIX ONE FIVE WEST NORTH AVE., BALTIMORE. NO GAMBLING MATERIAL LOCATED BUT SUBJECT HAD OVER SEVEN ONE THOUSAND DOLLARS IN CHECKS AND CASH ON PERSON. ARRAIGNED BEFORE U.S.C. AND RELEASED ON FIVE THOUSAND DOLLARS BOND. HEADLINES IN EVENING SUN GIVEN TO SUBJECT'S ARREST.

END.

WASH. B[illegible]

FBI WASH DC

REC-

166-1765-77

MAY 27 1966

51 JUN 8 1966

56 JUN 3 1966

CC-MR. ROSEN

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

MAY 25 1966

TELETYPE

b6
b7C

Mr. Tolson	
Mr. DeLoach	
Mr. Mohr	
Mr. Wick	
Mr. Casper	
Mr. Callahan	
Mr. Conrad	
Mr. Felt	
Mr. Gale	
Mr. Rosen	
Mr. Sullivan	
Mr. Tavel	
Mr. Trotter	
Tele. Room	
Miss Holmes	
Miss Gandy	

FBI WASH DC

FBI LOS ANG.

436 PM PDT URGENT 5-25-66 PLS

TO DIRECTOR (166-1765) ATTN: SPECIAL INVESTIGATIVE DIVISION

FROM LOS ANGELES (166-462)

10 Memos to Ident.
Date 6-2-66
Per

[redacted] AKA DASH FUGITIVE. ET AL.

ITWI; FBW- CONSPIRACY. OO: LOS ANGELES.

FUGITIVES; [redacted] JOSEPH SOLDIS, CARL LOVELACE CLEMENT, GRAY HOFFMAN, [redacted] ALL ARRESTED BY SPECIAL AGENTS, LOS ANGELES THIS DATE, APPEARED BEFORE USC AND RELEASED ON BOND.

[redacted] SURRENDERED TO SPECIAL AGENTS LOS ANGELES OFFICE THIS DATE, TAKEN BEFORE USC AND RELEASED ON BOND.

FOR INFO BUREAU, [redacted] FURNISHED SIGNED STATEMENT ADMITTING MANUFACTURE AND SALE OF DEVICES TO [redacted] (LAST NAME UNKNOWN TO HIM BUT WILL PROBABLY BE [redacted] WHEN SHOWN PHOTO). [redacted] ADMITS MANUFACTURE AND SALE OF

REC 28 166-1765-78
MAY 27 1966

END PAGE ONE

53 JUN 7 1966

PAGE TWO

EIGHT DEVICES TO [redacted]

BLUE BOX DEVICES RECOVERED FROM [redacted]

[redacted] AND HOFFMAN.

REPORTS FOLLOW.

END

WA...RCS

FBI WASH DC

TU CLRX

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CC-MR. ROSEN

FD-36 (Rev. 10-29-63)

NH 5/30/66

FBI

Date: 5/26/66

Transmit the following in _____ (Type in plain text or code)

Via AIRTEL _____ (Priority)

b6
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TO: DIRECTOR, FBI (166-1765)

FROM: SAC, MIAMI (166-359) (P)

[redacted] aka;
ET AL
ITWI; FBI -
CONSPIRACY
(OO: Los Angeles)

For the information of Los Angeles motions to suppress evidence relating to "blue box" have been filed by the defense counsel for KENNETH HERBERT HANNA in the Southern District of Fla. HANNA is scheduled to go to trial 9/12/66 and the motions will be adjudicated prior to that date.

Southern Bell Telephone and Telegraph Co., automatic message accounting printouts indicate that [redacted] permanent residence [redacted] operated "blue boxes" prior to HANNA's arrest on 1/8/66.

[redacted] is presently residing in [redacted] was interviewed by BuAgents on 5/13/66 and denied operation or knowledge of "blue boxes". Counsel for [redacted] refused to submit [redacted] to interview and advised Departmental Attorney WALLACE JOHNSON, Miami, that [redacted] would take the Fifth Amendment before grand jury unless given immunity.

166-1765-80

REC-28

MAY 30 1966

3 - Bureau
2 - Los Angeles (166-462)
1 - Miami
WFH:jaj
(6)

C. C. WICK

Approved: _____ Sent _____ M Per _____
Special Agent in Charge

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b7C

MM 166-359

Departmental Attorney WALLACE JOHNSON, Miami, advised he has no objections to subpoena to Los Angeles of [redacted] and subsequent immunity before grand jury. Miami Office believes that [redacted] probably obtained "blue box" from same source as HANNA.

Los Angeles should consider discussing with USA, Los Angeles the subpoena of [redacted] in instant case.

In connection with hearing before USC EDWARD P. SWAN, Miami, for [redacted] defense counsel argues extensively for reduction of bond and precise date for removal hearing. In this connection defense counsel claimed he would be absent from United States after 6/8/66 for indefinite period. As a result, USC SWAN assured defense counsel that hearing would be held on that date and he would look with much disfavor upon any subsequent postponements.

Los Angeles should therefore anticipate providing necessary evidence in this case for the removal of [redacted] by 6/8/66, unless there is an indictment returned in the interrim.

Revised 7:45 AM

FOR IMMEDIATE RELEASE
May 23, 1966

FBI Agents today dealt a crippling blow to the users of electronic devices designed to circumvent toll charges on long distance telephone calls by the arrest of 19 individuals in 8 different states, Attorney General Nicholas deB. Katzenbach announced.

FBI Director J. Edgar Hoover said the arrests were made on the basis of complaints filed in Los Angeles, California, by FBI Agents yesterday charging violations of federal statutes on the part of individuals in Florida, Maryland, Georgia, Tennessee, New Jersey, California, Louisiana and North Carolina.

The complaints allege violations of the Interstate Transmission of Wagering Information Statute, the Fraud by Wire Statute and the aiding and abetting of fraud by wire.

Mr. Hoover advised that the arrests today climaxed an extensive and detailed investigation by FBI Agents throughout the United States. The violations charged [illegible] the use of electronic devices referred to as a multi frequency tone generator or

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Holmes
Gandy

TBC:lcm/slr
(10)

166-1760

MAIL ROOM ☐ TELETYPE UNIT ☐

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"blue box," which instrument was used to circumvent normal billing procedures on long-distance telephone calls. The investigation determined that the device was used by both gamblers as well as other rate individuals attempting to circumvent costs of interstate calls. In the case of gamblers the instrument also prevented the detection of individual calls.

The FBI Director advised that the following individuals arrested were charged with violating the Interstate Transmission of Wagering Information Statutes and, if convicted, face sentences ranging up to $10,000 fine and/or two years' imprisonment.

[redacted] is allegedly one of the major bookmakers in the United States.

Herbert Kaufman, 55, married, a resident of 3600 Labyrinth Road, Baltimore, Maryland, and the owner and operator of Kaufman Realty, 1615 West North Avenue, Baltimore.

[redacted] a resident of the [redacted] has been described as a major gambler in the Atlanta, Georgia, area.

Thomas Milton Boyd, 36, married, a resident at 212 Rolling Fork Court, Nashville, Tennessee, and a partner in the operation

b6
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of the Uptown Recreation Center, 415 Diedrick, Nashville. Boyd is reportedly a well-known gambling figure in Nashville.

[redacted], also known as [redacted] is reportedly employed as a [redacted] at the Casino-In-The-Park, Jersey City, New Jersey.

[redacted] is single and has been self-employed in the [redacted] field and [redacted] under the names of [redacted] is employed as the [redacted] at [redacted] is described as a publication which provides information concerning nationwide sporting events.

Eugene Anthony Nolan, 36, married, of 1051 Rittiner Drive, Baton Rouge, Louisiana.

Henry E. Loman, of Greensboro, North Carolina.

[redacted] also known as [redacted] is reportedly a well-known [redacted] and has been associated with the [redacted] This news service has provided sports information

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including handicapping for professional baseball, basketball, football, hockey and college basketball and football.

[redacted] also known as [redacted] of [redacted] is reported to be the [redacted]

Mr. Hoover advised that the following individuals were charged with violations of the Fraud By Wire Statutes and, if convicted, face sentences ranging up to $1,000 fine and/or five years' imprisonment: [redacted] who is mentioned above as also being charged with violations of the Interstate Transmission of Wagering Information Statutes.

[redacted], a resident of [redacted] at [redacted] [redacted] is single and is [redacted] and is also associated with [redacted]

Gray Hoffman, 40, of 212 South Mariposa, Burbank, California. He is employed as the Manager of the Kahr Bearing Corporation, 3010 North San Fernando Road, Burbank.

Virgil Salathiel, a resident of 5055 Walnut Hill Lane, Dallas, Texas, and Los Angeles, California. Salathiel operates the Teco Wheel Balancing Company, 1005 Arbor Vitae, Inglewood, California, which company also has facilities in Dallas, Texas. b6 b7C

Carl Lovelace Clement, approximately 55, of 9336 Lemona, Sepulveda, California. He is married and employed as a manager of engineers at the Escoa Corporation, 15519 South Crenshaw, Gardena, California.

[redacted] who is also known as [redacted] He is married and is self-employed as a [redacted]

The FBI Director advised that the following two individuals were also arrested and charged in complaints with aiding and abetting fraud by wire and, if convicted, face sentences ranging up to $1,000 fine and/or five years' imprisonment.

[redacted] He is married and is employed as the [redacted] of a [redacted]

[redacted] b6 b7C

[redacted] He is married and is employed as an [redacted]

at the [redacted]

Mr. Hoover advised that all of the individuals arrested today will be arraigned before a United States Commissioner as soon as possible.

FINAL RELEASE

FOR IMMEDIATE RELEASE
MAY 25, 1966

FBI Agents today dealt a crippling blow to the users of electronic devices designed to circumvent toll charges on long-distance telephone calls by the arrest of 16 individuals in 9 different states, Attorney General Nicholas deB. Katzenbach announced.

FBI Director J. Edgar Hoover said the arrests were made on the basis of complaints filed in Los Angeles, California, by the FBI yesterday charging violations of Federal Statutes on the part of individuals in New York, Maryland, Georgia, Tennessee, North Carolina, Florida, Texas, California and New Jersey.

The complaints allege violations of the Interstate Transmission of Wagering Information Statute, the Fraud By Wire Statute and the aiding and abetting of fraud by wire.

Mr. Hoover advised that the arrests today climaxed an extensive and detailed investigation by FBI Agents throughout the United States. The violations charge the use of an electronic device known as a multifrequency signal generator or "blue box," which

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Callahan
Conrad
Felt
Gale
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

MAIL ROOM ☐ TELETYPE UNIT ☐

165-1765-82

ENCLOSURE

instrument is used to circumvent normal billing procedures on long-distance telephone calls. The investigation determined that the device was used by gamblers as well as other individuals attempting to circumvent costs of interstate calls.

The FBI Director advised that the following individuals arrested were charged with violating the Interstate Transmission of Wagering Information Statutes and, if convicted, face sentences ranging up to $10,000 fine and/or two years' imprisonment.

[redacted] b6 b7C

[redacted] is allegedly one of the major bookmakers in the United States. He was arrested in New York City.

Thomas Milton Boyd, 36, married, a resident of 212 Rolling Fork Court, Nashville, Tennessee, and a partner in the operation of the Uptown Recreation Center, 415 Deaderick Street, Nashville. Boyd is reportedly a well-known gambling figure in Nashville.

Herbert Kaufman, 55, married, a resident of 3600 Labyrinth Road, Baltimore, Maryland, and the owner and operator of Kaufman Realty, 1615 West North Avenue, Baltimore.

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[redacted] a resident of the [redacted] has been described as a major gambler in the Atlanta, Georgia, area.

Henry Edward Loman, 50, of R. F. D. #5, Box 856, Wilcox Road, Greensboro, North Carolina. Loman is not known to be currently employed but formerly operated the Gridiron Grill in Greensboro.

[redacted] also known as [redacted] of [redacted] is reported to be the [redacted] is employed as the [redacted] at [redacted] is described as a publication which provides information concerning nationwide sporting events.

[redacted] also known as [redacted] is reportedly employed as a [redacted] at the Casino-In-The-Park, Jersey City, New Jersey.

Mr. Hoover advised that the following individuals were charged with violations of the Fraud By Wire Statutes and, if convicted, face sentences ranging up to $1,000 fine and/or five years' imprisonment:

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Virgil Salathiel, 48, a resident of 5055 Walnut Hill Lane, Dallas, Texas, and Los Angeles, California. Salathiel operates the Teco Wheel Balancing Company, 1005 Arbor Vita, Inglewood, California, which company also has facilities in Dallas, Texas.

[redacted] is single and is [redacted] and is also associated with [redacted]

Carl Lovelace Clement, approximately 55, of 9336 Lemona, Sepulveda, California. He is married and employed as a manager of engineers at the Escoa Corporation, 15519 South Crenshaw, Gardena, California.

Joseph Soldis, 36, of 4612 Sharynne Lane, Torrance, California. He is employed as a salesman by Escoa Corporation, 15519 South Crenshaw Boulevard, Gardena, California.

[redacted] who is also known as [redacted] He is married and is self-employed as a [redacted]

Gray Hoffman, 40, of 212 South Mariposa, Burbank, California. He is employed as the Manager of the Kahr Bearing Corporation, 3010 North San Fernando Road, Burbank.

[redacted] who is mentioned above as also being charged with violations of the Interstate Transmission of Wagering Information Statutes.

The FBI Director advised that the following two individuals were also arrested and charged in complaints with aiding and abetting fraud by wire and, if convicted, face sentences ranging up to $1,000 fine and/or five years' imprisonment.

[redacted] He is married and is employed as the [redacted] of a [redacted]

[redacted] He is married and is employed as an [redacted]

Mr. Hoover advised that [redacted] a resident of [redacted] was also charged with violations of the Fraud By Wire Statutes. [redacted]s scheduled to surrender to Federal officials today.

The FBI Director also stated that the following individuals were charged in complaints but have not been taken into custody as yet. They are being sought by the FBI as fugitives.

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[redacted] is reportedly residing in [redacted] also known as [redacted] is reportedly a [redacted] and has been associated with the [redacted] This news service provides line information for professional and collegiate sporting contacts including baseball, basketball, football and hockey.

Eugene Anthony Nolan, 36, married, of 6159 Paris Avenue, New Orleans, Louisiana.

[redacted] is single and has been self-employed in the [redacted] field and [redacted] under the names of [redacted]

Mr. Hoover advised that all of the individuals arrested today will be arraigned before a United States Commissioner as soon as possible.

FD-36 (Rev. 5-22-64)

NA 5/28

FBI

Date: 5/26/66

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Transmit the following in ____________ (Type in plaintext or code)

Via AIRTEL ____________ (Priority)

TO: DIRECTOR, FBI (166-1765)
ATTN: NATIONAL STOLEN PROPERTY FILE

FROM: SAC, CHARLOTTE (162-185)

[redacted] Aka.: [redacted]
ET AL
ITWI; FBW - CONSPIRACY
(OO: LOS ANGELES)

Remytel 5/25/66.

The Charlotte Division took possession of a .38 caliber Smith and Wesson revolver, SN 591527, at the time HENRY E. LOMAN was arrested 5/25/66, Greensboro, N. C.

It is requested that an appropriate search be made concerning this weapon in the National Stolen Property files.

Results of this search should be furnished to the Charlotte Division, as well as the office of origin.

REC 25 166-1765-83

5/31/66 2 Xerox copies made and returned to Charlotte and to Los Angeles with notation: No Record, National Stolen Property File

3 - Bureau
2 - Los Angeles (166-462)
2 - Charlotte
HER/jb
(7)

C C- Wick

17 MAY 28 1966

Approved: ____________ Sent ________ M Per ________
Special Agent in Charge

53 JUN 1966

FD-263 (Rev. 3-1-59)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
NEW ORLEANS	LOS ANGELES	5/28/66	4/4/66-5/25/66

TITLE OF CASE

[redacted] Aka.

FUGITIVE, ET AL;
EUGENE ANTHONY NOLAN - FUGITIVE

REPORT MADE BY: SA [redacted] TYPED BY: mln

CHARACTER OF CASE

ITAR - GAMBLING
ITWI
FBW - CONSPIRACY

REFERENCE:

Los Angeles teletype to Director, Newark, Atlanta, Memphis and New Orleans, 4/4/66.
Los Angeles airtel to Director, 5/10/66.
Los Angeles teletype to New Orleans, 5/24/66.

- P -

LEADS:

LOS ANGELES DIVISION

[redacted] LOS ANGELES, CALIFORNIA

Will furnish sufficient information to establish probable cause for a United States Commissioner's hearing on the removal of EUGENE ANTHONY NOLAN to Los Angeles on the complaint filed in Los Angeles 5/24/66. This hearing is scheduled for May 31, 1966.

NEW ORLEANS DIVISION

APPROVED: SPECIAL AGENT IN CHARGE

COPIES MADE:
3- Bureau (166-1765)
1- USA, New Orleans
3- Los Angeles
(1- USA, Los Angeles)
2- New Orleans (168-87)

DO NOT WRITE IN SPACES BELOW

166-1765-85

REC-39

EX-102

JUN 1 1966

DISSEMINATION RECORD OF ATTACHED REPORT

AGENCY	
REQUEST RECD.	CC, AAG, Criminal Division,
DATE FWD.	Organized Crime & Racketeering Section
HOW FWD.	Room 2524
BY	

57 AUG 5 1966

NOTATIONS

6/9/66 INTD SECT.

U.S. GOVERNMENT PRINTING OFFICE 16—76324-1

NO (168-87)

AT NEW ORLEANS, LOUISIANA

Will follow Removal Hearing of EUGENE ANTHONY NOLAN.

INFORMANTS:

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[redacted]

Records of the Internal Revenue Service, New Orleans, Louisiana, were made available by [redacted] Special Agent, Intelligence Division, Internal Revenue Service.

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ADMINISTRATIVE:

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[redacted]

This information was furnished in complete confidence and is not to be disseminated outside the Bureau.

B* (COVER PAGE)

FD-204 (Rev. 3-3-59)

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UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1- United States Attorney, New Orleans
1- United States Attorney, Los Angeles

Report of: SA [redacted] Office: NEW ORLEANS
Date: May 28, 1966

Field Office File #: NO 168-87 Bureau File #: 166-1765

Title: [redacted] - FUGITIVE, ET AL;
EUGENE ANTHONY NOLAN - FUGITIVE

Character: INTERSTATE TRANSPORTATION IN AID OF RACKETEERING - GAMBLING;
INTERSTATE TRANSPORTATION OF WAGERING INFORMATION;
FRAUD BY WIRE - CONSPIRACY

Synopsis:

Authorized Commissioner's complaint filed Los Angeles, California, 5/24/66, charging EUGENE ANTHONY NOLAN with violation of the ITWI Statute. NOLAN surrendered at the U. S. Commissioner's Office with attorney 5/25/66. Requested removal hearing. Hearing set by U. S. Commissioner for 5/31/66.

- P -

DETAILS:

On May 24, 1966, Special Agent of the Federal Bureau of Investigation [redacted] at Los Angeles, California, filed a complaint before U. S. Commissioner RUSSEEL R. HERMANN charging EUGENE ANTHONY NOLAN with violation of Title 18, Section 1084, U. S. Code, the Interstate Transportation of Wagering Information, in that on or about December 20, 1965, at Baton Rouge, Louisiana, he did receive a telephone call from [redacted] at Los Angeles, California, in which bets and wagers and betting information was obtained. The general language in the complaint was that [redacted] did knowingly employ an electronic device known as a multiple - frequency signal generator in making interstate telephone calls to circumvent the normal billing procedures of the Pacific Telephone and Telegraph Company thus perpetrating a fraud by the use of an interstate wire facility.

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BACKGROUND

This case entails the use of an electronic device called a multi-frequency tone generator or "blue box" used to make long-distance telephone calls circumventing normal billing procedures and in the case of gamblers, detection of the individual called.

Investigation has determined that [redacted] has been in contact with numerous gamblers throughout the country and has placed bets or obtained gambling information in telephone conversations with these individuals which he did on the instructions and orders of nationally known Miami gambler [redacted]

Assistant United States Attorney JOHN LALLY, Chief of the Organized Crime Section, U. S. Attorney's Office, Los Angeles, stated that it was his opinion that users of the "blue box" were in violation of Fraud by Wire statutes, if the calls were made interstate utilizing this device. In addition, he advised that users of this device could [redacted] prosecuted for violation of federal gambling statutes if the "blue box" were utilized in interstate calls in furtherance of gambling operations.

Assistant U. S. Attorney LALLY stated that if the telephone company, acting on their own initiative and not at the request of the FBI, monitored individuals using this device, any tapes made during the monitoring would be admissible evidence.

NO (168-87)/mln

TECHNICAL EXPLANATION OF THE "BLUE BOX"

The following information concerning the operation of the "blue box" was provided by [redacted]

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The function of the "blue box" is to simulate pulses used by telephone operators and automatic dialing equipment to make long-distance telephone calls without activating telephone company billing equipment.

The caller accomplishes this by dialing the area code, a three digit number, followed by the number of the universal information operator which is 555-1212, a no charge number. At any time after the ringing commences the "blue box" is used to introduce a 2600 cycle per second (cps) tone into the transmitter of the telephone instrument. This drops the information operator from the line, but retains the circuit in the long-distance toll trunk. Then the start button or key pulse button is pressed, introducing a multi-frequency tone of 1100 and 1700 cps into the transmitter, thereafter the area code followed by the telephone number of the party being called is pulsed by using the appropriate buttons in proper sequence.

NO (168-87)

The Los Angeles Office has advised that information secured by a Federal Grand Jury at Los Angeles by subpoena duces tecum to the [redacted]

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FD-302 (Rev. 4-15-64)

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FEDERAL BUREAU OF INVESTIGATION

Date 5/27/66

Tax records at Baton Rouge, Louisiana, reflect these lots recorded as being owned by the following individuals:

[redacted]

Lot 19, EUGENE A. NOLAN (purchased January 24, 1958)

[redacted]

8

On 5/20/66 at Baton Rouge, Louisiana File # NO 168-87

by SA [redacted] /mln Date dictated 5/27/66

FD-302 (Rev. 4-15-64)

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FEDERAL BUREAU OF INVESTIGATION

1

Date May 27, 1966

On May 25, 1966, at approximately 1:20 PM, EUGENE ANTHONY NOLAN surrendered with his attorney before United States Commissioner FRITZ WINDHORST at Wildlife and Fisheries Building, 400 Royal Street, New Orleans, Louisiana.

Mr. NOLAN advised that upon advice of counsel, he did not desire to make any statement, however, he volunteered a general denial stating he was unacquainted with [redacted]

On 5/25/66 at New Orleans, Louisiana File # NO 168-87

SA [redacted]
SA and
by SA mln/jms 9 Date dictated 5/27/66

FD-302 (Rev. 4-15-64)

FEDERAL BUREAU OF INVESTIGATION

1

Date May 27, 1966

EUGENE ANTHONY NOLAN appeared before United States Commissioner and advised that he desired a hearing before the Commissioner relative to his removal to Los Angeles, California.

United States Commissioner FRITZ WINDHORST set a date for this hearing as May 31, 1966. Bond in the amount of $5,000.00 was set by United States Commissioner WINDHORST and he permitted EUGENE ANTHONY NOLAN to sign his own bond.

On 5/25/66 at New Orleans, Louisiana File # NO 168-87

SA [redacted]

SA [redacted] and 10*

by SA [redacted] mln/jms Date dictated 5/27/66

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FD-263 (Rev. 5-1-59)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
ATLANTA	LOS ANGELES	6/1/66	4/22 - 5/26/66

TITLE OF CASE

[redacted] aka -

FUGITIVE:

[redacted], aka -

FUGITIVE;
ETAL

REPORT MADE BY	TYPED BY
SA [redacted]	:ld

CHARACTER OF CASE

ITWI; FBW - CONSPIRACY

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custody AT ATL 5-25

6-10

REFERENCES:

Atlanta letter to Director, 4/27/66;
Los Angeles teletypes to Director, etc., 5/23/66 and 5/24/66;
Atlanta teletype to Bureau and Los Angeles, 5/25/66.

- P -

LEADS

MIAMI (INFORMATION)

A copy of this report being designated for Miami in view of their interest in this case.

ATLANTA

AT ATLANTA, GEORGIA. Will follow and report

APPROVED SPECIAL AGENT IN CHARGE

DO NOT WRITE IN SPACES BELOW

166-1765-87 REC- 31

11 JUN 2 1966

COPIES MADE:

(3) - Bureau (166-1765)
1 - USA, Atlanta
3 - Los Angeles (166-462)
(1 - USA, Los Angeles)
1 - Miami (Info)
5 - Atlanta (3 - 166-182)
(2 - 165-21)

Dissemination Record of Attached Report

Agency	CC, Attn: Criminal Division,
Request Recd.	Organized Crime Racketeering Section
Date Fwd.	Room 2527
How Fwd.	
By	

57 AUG 5 1966

Notations

FUG (STP)

MIAMI

SAC

STAT. SECT.

FD-204 (Rev. 3-3-59)

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UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Atlanta, Georgia
1 - USA, Los Angeles, California

Report of: SA [redacted] Office: Atlanta, Georgia
Date: June 1, 1966

Field Office File #: 166-182 Bureau File #: 166-1765

Title: [redacted]
ETAL

Character: INTERSTATE TRANSMISSION OF WAGERING INFORMATION;
FRAUD BY WIRE - CONSPIRACY

Synopsis: [redacted] apprehended by BuAgents in Hampshire House, Conyers, Ga., 5/25/66. Number of items were seized from [redacted] person and search of his premises incidental to arrest. [redacted] appeared before USC, Atlanta, Ga., 5/25/66 and released on $3,000 bond same day. Removal hearing set for 6/7/66.

- P -

DETAILS:

AUG 2 1966 F.B.I. VOUCHER-STAS.

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AT 166-182

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I. PROCESS

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AT 166-182

Los Angeles communication to Bureau, Atlanta, and other divisions dated May 24, 1966, reported that authorized complaint and warrant was issued May 24, 1966, by United States Commissioner RUSSELL R. HERMANN, Los Angeles, against [redacted] charging [redacted] with violation of Interstate Transmission of Wagering Information (ITWI) Statute. This complaint was signed by SA [redacted] Bond was recommended in the amount of $5,000, returnable Los Angeles.

Los Angeles teletype to Bureau, Atlanta and other divisions, dated May 23, 1966, reported that on May 24, 1966, complaints will be filed before United States Commissioner, Los Angeles, charging that [redacted] Conyers, Georgia, among others did receive a telephone call December 23, 1965, from [redacted] at Los Angeles, in which bets and wagers and betting and wagering information was obtained.

AT 166-182

II. ARREST AND SEARCH OF [redacted] PERSON AND PREMISES

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A. Arrest of [redacted]

AT 166-182
JPG:ld

SA's [redacted] and [redacted] approached the residence of [redacted] in a Ford Econoline truck at 9:00 a.m. May 25, 1966, closely followed by SAC JOSEPH K. PONDER in a Bureau automobile.

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SA [redacted] arrived at the [redacted] at 9:10 a.m. May 25, 1966, accompanied by [redacted] Southern Bell Telephone and Telegraph Company, Atlanta, Georgia.

AT 166-182

B. Telephone Call to Attorney [redacted]

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C. Search and Interview of [redacted]

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[redacted] having previously been advised by SA [redacted] that he did not have to say anything, that anything he said could be used against him in a court of law and that before making any statement he was entitled to the services of an attorney or anyone else of his own choosing, stated that he did not know [redacted] in Los Angeles, California, and that he did not engage in any interstate gambling activities with anyone in California or anywhere else outside the State of Georgia.

[redacted] stated that he does not know any individual whose name is KENNETH HANNA who was arrested in Atlanta on interstate gambling charges on May 16, 1966. [redacted] stated that he knows [redacted] and that he was partners in a gambling operation with [redacted] a number of years ago. He added that about 3 years ago he, [redacted] had been operating a gambling joint at the [redacted] and decided to discontinue that operation at about the time [redacted] began a gambling operation, also in Rockdale County, Georgia. [redacted] related that he received a telephone call at about 3:00 a.m. one morning from [redacted] and [redacted] asked him to come to the new gambling operation being conducted by [redacted] then went to this club operated by [redacted] and [redacted] offered [redacted] 50% interest in the club being operated by [redacted] which offer was declined by [redacted] As a result of this, [redacted] assaulted [redacted] which resulted in [redacted] being hospitalized.

[redacted] identified a photograph of [redacted] as being that of [redacted] who worked for him as a crap dealer several years ago and whom [redacted] described as being a "burglar" and explained that term as meaning a person who would steal from him.

A search of [redacted] person was made and the following is a copy of the items taken from [redacted] person. Certain of these items have been retained by the FBI and these items are so noted in the following inventory:

1. $198.00 cash consisting of:
   2 - $50.00 bills $100.00
   4 - $20.00 bills 80.00

On 5/25/66 at Conyers, Ga. File # AT 166-182

by SA's [redacted] and [redacted] Date dictated 5/27/66

1 - $10.00 bill	$10.00
1 - $ 5.00 bill	$ 5.00
3 - $ 1.00 bills	$ 3.00
	$198.00

2. Wallet containing the following:
   a. Paper with name [redacted]
   b. Various photos
   c. Social Security Card [redacted] in name of [redacted]
   d. Diabetic identification card
   e. Identification card in name of [redacted] telephone number [redacted] Social Security Number [redacted] *In case of* emergency notify [redacted]
   f. Diners Club Card [redacted] in name of [redacted]
   g. National Car Rental International Credit Card [redacted] in name of [redacted]
   h. Georgia Operators License [redacted] in name of [redacted]
   i. Address book with names and telephone numbers

      The following is a list of the names and telephone numbers in this address book:

      [redacted]

D. Pertinent Admissions by [redacted]

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E. Search of Premises and Inventory

FD-302 (Rev. 1-25-60)

FEDERAL BUREAU OF INVESTIGATION

b6
b7C

Date May 27, 1966

1

Following the arrest of [redacted] a search of the premises known as the [redacted] was begun at 9:05 a.m. Certain items were observed and seized during this search which was conducted incidental to [redacted] arrest. These items are identified below:

Item	Description	Location	Identity of Agent Obtaining Item
1	One sheet of legal-size yellow lined paper divided into 4 columns, each column containing handwritten notations in red and blue ink. Notations consist primarily of numerals with some letters which appear to be abbreviations.	Found taped to wall above desk in room (hereinafter referred to as office) immediately adjacent to the kitchen.	SA [redacted]
2	One brown 4" x 6" address book alphabetically divided. Book contains names, initials and apparent code numbers followed by 7 digit numbers which appear to be telephone numbers.	On desk in office.	SA [redacted]
3	21 - 3" x 5" slips of white paper, some of which bear numerical notations in red and blue ink.	On spindle on top of desk in office.	SA [redacted]

5/25/66 Rockdale County, Ga. File # AT 166-182

[redacted] d Date dictated 5/27/66

AT 166-182
JPG:ld
2

Item	Description	Location	Identity of Agent Obtaining Item
4	4 lined sheets of yellow legal size paper which bear names of major league baseball teams, major league pitchers, starting times of major league baseball games with various other notations in red and blue ink. All notations on these sheets are handwritten in red and blue ink.	From spindle on desk in office.	SA
5	2 - 3" x 5" slips of white paper bearing handwritten notations in red and blue ink.	Found loose on desk in office.	SA
6	13 - 3" x 5" white slips of paper fastened together by paper clip. Each slip bears a code number in the upper left-hand corner and each contains names of major league baseball teams and/or major league baseball pitchers followed by numerical notations. All entries are handwritten in red or blue ink.	Found on desk in office.	SA

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AT 166-182
JPG:ld
3

Item	Description	Location	Identity of Agent Obtaining Item
7	1 pad of yellow lined legal size paper, the top 2 sheets of which contain names of major league baseball teams and/or major league baseball pitchers including starting times with other numerical notations. All notations on the sheets are handwritten in red and blue ink. Pad bears the name "Nifty" Legal Pad and is indicated to be manufactured by Nifty - Birmingham, Alabama - Houston, Texas	Found on desk in office.	SA [redacted]
8	1 Olivetti-Underwood Calculator, SN 6218109, model Summa Quanta 20E, with tape containing columns of figures which have been added and subtracted. Calculator also equipped with cord and cover.	Found on small table in office near desk.	SA [redacted]
9	1 black telephone set with 4' cord and 4 prong plug for jack attached. Dial contains numbe[redacted]	Found on top of cabinet on east wall of office.	S[redacted]

AT 166-182
JPG:ld
4

Item	Description	Location	Identity of Agent Obtaining Item
10	1 black metal box 5" x 9" x 6" equipped with carrying handle, on and off switch, volume control switch. Connected to box is 4½' telephone head set cord with ear phones attached. Also connected to box is 2½' plastic covered electric type cord with a 1½" x 4½" x ¼" black plastic covered "pick-up coil". The pick-up coil bears notation "Pick-up Coil", "made in Japan". (It was determined while search was in progress that by turning the on-off switch to the "on" position and placing pick-up coil adjacent to telephone line leading to one of the telephone sets found in the Hampshire House that this device is capable of monitoring telephone conversations in this manner.)	Found in closet in south wall of game room.	SA [redacted]
11	Approximately 30" of adding machine tape bearing columns of figures which have added and subtracted.	Found in trash basket near desk in office.	SA [redacted]

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Item	Description	Location	Identity of Agent Obtaining Item
12	Approximately 5" x 7" slip of paper, one side of which contains the notation "11:30" and a list of major league baseball teams. Numerical notations in red and blue ink are contained on the same side of the paper as the list of baseball teams. Reverse side thereof contains numerical notations in pencil.	Found in trash basket in office.	SA
13	1 - 3" x 5" white slip of paper bearing the following notations handwritten in black ink: "La - Phil 16" "St L + 3½ 17" "Cim - 9 11".	Found in center bedroom in drawer of night stand adjacent to left side of bed.	SA
14	1 black looseleaf binder 6½" x 9" entitled "Telephone" containing several filler pages alphabetically divided. Filler pages contain names and telephone numbers handwritten in pencil and ink.	Found on shelf below oven in kitchen.	SA

AT 166-182
JPG:ld
6

Item	Description	Location	Identity of Agent Obtaining Item
15	1 white envelope 4" x 9½" (empty), the front of which bears the return address [redacted] and is addressed to [redacted]. The back of this envelope contains what appears to be the names of college football teams followed by numerical notations. Notations on the reverse of this envelope are handwritten in pencil.	Found on shelf to the right of the oven in kitchen.	SA [redacted]
16	9 portions of telephone bills of the Southern Bell Telephone & Telegraph Company, showing list of calls charged to telephone number [redacted]	Found in the middle drawer of a desk in the corner of the kitchen.	SA [redacted]
17	Small yellow spiral type notebook bearing on the cover the trade name "Nifty Notes". Pages within this notebook contain pen and ink notations of names, initials, telephone numbers, as well as miscellaneous numerical notations.	Found on top of dining table in kitchen area.	SA [redacted]

Item	Description	Location	Identity of Agent Obtaining Item
18	4 dial type telephone sets manufactured by Western Electric Company which are further described as follows:		SA [redacted]

(a) One black set determined to have been operating on telephone number [redacted] contains extension cord and 4-prong plug for jack. The dial plate is blank and does not identify the telephone number.

(b) One black set determined to have been operating on telephone number [redacted] contains extension cord with 4-prong plug for jack attached.

(c) One black set with extension cord and 4-prong plug for jack attached. Dial plate shows telephone number as [redacted] however, it was determined that this set was operating on telephone number [redacted]

(d) One white set with extension cord and 4-prong plug for jack attached. Dial plate identifies telephone number as [redacted] and it was determined that this set was operating on this telephone number.

Found on desk in office. Sets were removed by disengaging plugs from jacks located behind panel in closet in northwest corner of office.

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AT 166-182
JPG:ld
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Item	Description	Location	Identity of Agent Obtaining Item
19	1 black Western Electric telephone set, the dial plate of which bears telephone number [redacted]. Set is equipped with extension cord but no plug attached. A white strip of tape is affixed to the front of this set and bears the handprinted notation "Do not use this phone".	Found on shelf of closet in south wall of game room. Set was not attached to line.	SA [redacted]

The search of the [redacted] was concluded at 11:40 a.m. with the exception of a safe found by S[redacted] on the floor of the closet in the south wall of the game room. This safe was approximately 20" x 20" x 30", light gray in color, and bore the trade name "Sentry" and bore Serial Number 151437.

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On entering a room immediately adjacent to and north of the kitchen-dining area of the [redacted] it was observed that this room was equipped as an office with a shelf-type desk along the west wall thereof. Four telephone sets were arranged along this desk.

At 9:12 AM, one of these sets rang and on answering the phone, Special Agent [redacted] advised he had reached this number by dialing telephone number [redacted] from the FBI Office, Atlanta, Georgia, telephone number [redacted]

At 9:13 AM, a second of these sets rang, and on answering same it was determined that the caller was Special Agent [redacted] who advised he had reached this number by dialing telephone number [redacted]

At 9:14 AM, a third set on the desk rang, and on answering same it was determined that the caller was Special Agent [redacted] who advised he had reached this number by dialing telephone number [redacted]

At 9:15 AM, the fourth set rang and on answering, it was determined that the caller was Special Agent [redacted] who advised he reached this number by dialing telephone number [redacted]

At 9:16 AM, a phone located on a desk in the kitchen-dining area of the Hampshire House against the north wall of the kitchen and just outside of the entry door to the room equipped as an office was heard to ring. On answering this phone it was determined that the caller was Special Agent [redacted] who advised he had reached this number by dialing [redacted]

On 5/25/66 at Rockdale County, Georgia File # Atlanta 166-182

by SA [redacted] and SA :jlh Date dictated 5/27/66

It was observed that the four telephones arranged on the desk of the room equipped as an office were equipped with extension cords and four prong plugs which were attached to jacks located behind a plywood panel in the west wall of a closet located in the northwest corner of the room equipped as an office.

It is noted that all the above telephone numbers are within the Atlanta metropolitan dialing area, and all the above calls were answered at the [redacted] by SA [redacted]

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then identified himself as number 99. When asked what he wanted, the caller said "the line." When informed that "I don't have the line yet," the caller said, "O.K., I'll call back in a few minutes."

[redacted] At 11:35 AM, a call was received on telephone [redacted] The call was answered "hello" at which time an unknown male voice said "this is number 107 at Cedartown." The caller was asked, "are you ready?" He responded "yes, go ahead." The caller was advised "O.K., I'll give you the National League first." Thereafter, a betting line listing the favored team, starting pitcher, and money line for the National and American Leagues games scheduled for May 25, 1966, was furnished. Following each game the caller said, "O.K." and at the end, he was asked whether he had the complete rundown, to which the caller replied, "yes." He was then asked, "do you have anything for me?" to which the caller replied "no" and the conversation was terminated.

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G. Weapons Located in [redacted]

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FD-302 (Rev. 1-25-60)

FEDERAL BUREAU OF INVESTIGATION

Date May 31, 1966

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1

During a search of the premises of the [redacted] the following weapons were observed in a gun cabinet located in the closet of the bedroom occupied by [redacted]

.45 caliber Colt Commander automatic pistol, Serial Number [redacted]

one model 1911 Colt .45 caliber automatic pistol, chrome plated, Serial Number [redacted]

one model 1911 Colt .45 automatic pistol, flat black finish, Serial Number [redacted]

one Smith & Wesson airweight snub nosed .38 caliber revolver, Serial Number [redacted]

one Scheintod .410 gauge revolver, folding trigger, hammerless, no serial number observed;

one .30 caliber carbine fitted with pistol grip, shortened barrel and sporting front sight, carrying commercial blue finish, Serial Number [redacted]

The above .45 caliber automatic pistols were found with fully loaded clips, one round in the chamber, hammers in cocked position, and safeties on.

The .38 caliber Smith & Wesson was found in a fully loaded condition.

The Scheintod was in an unloaded condition.

The carbine was found with a fully loaded magazine inserted into the weapon, chamber empty.

On 5/25/66 at Rockdale County, Georgia File # Atlanta 166-182

by SA [redacted] :jlh Date dictated 5/27/66

H. Equipment Observed in Game Room

FEDERAL BUREAU OF INVESTIGATION

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b7C

Date May 31, 1966

1

The following items were observed by Special Agent [redacted] and/or Special Agent [redacted] in the game room or bar room of the [redacted] during a search of that residence on May 25, 1966:

(1) Dice cup found in kitchen area of bar room found underneath bar counter - found by SA [redacted]

(2) One note "N. C. 5,000" found in metal cabinet in game room - SA [redacted]

(3) Two decks KEM plastic playing cards - SA [redacted]

(4) Three sets of dice - found in metal cabinet in game room next to planter box

(5) Two maroon colored briefcases, 2' x 18", containing chips

(6) One box containing nine packs of Bee playing cards - same spot.

On 5/25/66 at Conyers, Georgia File # Atlanta 166-182

by SA [redacted] :jlh Date dictated 5/27/66

I. Photographing of [redacted]nd Premises

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III. APPEARANCE BEFORE U. S. COMMISSIONER, ATLANTA

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AT 166-182
JPG:jlh

[redacted] appeared before U. S. Commissioner FRANK A. HOLDEN, Atlanta, Georgia, on May 25, 1966. [redacted] was represented by attorney [redacted] Atlanta, who requested a removal hearing.

Commissioner HOLDEN ~~has~~ set a removal hearing for 2:00 PM, June 7, 1966. Commissioner HOLDEN set bond of $3,000, pointing out that [redacted] is presently free on a $5,000 appeal bond following his recent conviction in U. S. District Court, Atlanta, after having been convicted in an Internal Revenue Service case involving failure to file and fraudulent returns of Federal excise tax on wagers accepted.

The $3,000 bond was posted by Garner Bonding Company, Atlanta, Georgia, and [redacted] was released May 25, 1966, after posting bond and being fingerprinted by the U. S. Marshal's Office, Atlanta.

AT 166-182
JJL:ovr

IV. MISCELLANEOUS

263 (Rev. 5-1-59)

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
BALTIMORE	LOS ANGELES	6/1/66	5/23 - 25/66

TITLE OF CASE

[redacted] aka

ET AL

HERBERT KAUFMAN - FUGITIVE

REPORT MADE BY: SA [redacted] b6 b7C — TYPED BY: mao

CHARACTER OF CASE

ITAR - GAMBLING;
ITWI;
FBW - CONSPIRACY

REFERENCES:

Los Angeles airtel to the Bureau, dated 5/10/66;
Bureau airtel to Los Angeles, dated 5/16/66;
Baltimore teletype to the Bureau and Los Angeles, dated 5/23/66;
Los Angeles teletype to the Bureau, dated 5/23/66;
Bureau teletype to Atlanta and interested offices, dated 5/24/66;
Baltimore teletype to the Bureau and Los Angeles, dated 5/25/66.

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ADMINISTRATIVE DATA:

The fact that 7 checks, each in the amount of $10,000.00, were found on KAUFMAN's person when arrested and that these checks were taken during the search incidental to his arrest, was made known to the Baltimore Office of Internal Revenue Service. As a

Case has been pending over one year: Yes ___ No X
Case has been pending prosecution over six months: Yes ___ No X

APPROVED — SPECIAL AGENT IN CHARGE

DO NOT WRITE IN SPACES BELOW

166-1765-88 REC-79

16 JUN 2 1966

EX-108

COPIES MADE:

(3) - Bureau (166-1765)
1 - USA, Baltimore, Maryland
3 - Los Angeles (166-462)
(1 - USA, Los Angeles, Calif.)
3 - Baltimore (166-447)
(1 - 166-786)

Dissemination Record of Attached Report

Agency	
Request Recd.	
Date Fwd.	
How Fwd.	
By	

CC - Criminal Division, Organized Crime and Racketeering Section, Room 2529

Notations: 6/10/66 [illegible] INFO. STATE DEPT. FUGITIVE

56 JUN 30 1966

result that Office caused a notice of levy to be placed against all money taken from KAUFMAN. A copy of this notice appears in the body of this report.

LEAD:

BALTIMORE DIVISION

AT BALTIMORE, MARYLAND

Will follow prosecution of subject HERBERT KAUFMAN.

FD-204 (Rev. 3-3-59)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

1 - United States Attorney
Baltimore, Maryland

Copy to: 1 - United States Attorney
Los Angeles, California

Report of: SA [redacted] Office: Baltimore, Maryland
Date: June 1, 1966

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Field Office File #: BA 166-447 Bureau File #: 166-1765

Title: [redacted]
ET AL

Character: INTERSTATE TRANSPORTATION IN AID OF RACKETEERING; -GAMBLING;
INTERSTATE TRANSMISSION OF WAGERING INFORMATION;
FRAUD BY WIRE - CONSPIRACY

Synopsis:

HERBERT KAUFMAN arrested by Bureau Agents 5/25/66 at his place of business, 1615 West North Avenue, Baltimore, Maryland, based on warrant issued 5/24/66 at Los Angeles, California, charging KAUFMAN with violation of the Interstate Transmission of Wagering Information statute. He was arraigned before USC ALLEN H. MEZGER at Baltimore and released on $5,000.00 bond. United States Treasury Department, Internal Revenue Service placed a levy on checks and cash in amount of $71,000 which was found on KAUFMAN's person during search incidental to his arrest. Xerox copies of other material taken from KAUFMAN during this search appears in body of this report.

JUN 28 [illegible]

- P -

DETAILS: AT BALTIMORE, MARYLAND

FD-302 (Rev. 4-15-64)

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FEDERAL BUREAU OF INVESTIGATION

Date June 1, 1966

1

HERBERT KAUFMAN was arrested by Special Agents of the Federal Bureau of Investigation at his place of business, Kaufman Realty Company, 1615 West North Avenue, Baltimore, Maryland, on May 25, 1966. This arrest was based on information received by teletype from the Los Angeles Office of the Federal Bureau of Investigation reflecting that a complaint was filed and a warrant issued that date (May 25, 1966), for the arrest of HERBERT KAUFMAN. This complaint filed before United States Commissioner RUSSELL R. HERMANN by SA [redacted] at Los Angeles, California on May 24, 1966. A bond of $5,000.00 was recommended.

HERBERT KAUFMAN, at the time of arrest, was advised of the agents identity and that he was under arrest. He was informed that he need not say anything to the arresting Agents unless he so desired and that anything he did say could be used against him in a court of law. SA [redacted] who advised KAUFMAN of his rights, also told KAUFMAN that he had the right to talk to a lawyer of his own choice, or anyone else, before saying anything at all, and that if he could not pay for a lawyer, the Judge would get one for him. No threats, force or promises were made to KAUFMAN.

The person of HERBERT KAUFMAN was searched incidental to the arrest. Found during this search were seven (7) Treasurers checks drawn on the Equitable Trust Company of Baltimore, payable to HERBERT KAUFMAN. Each check was in the amount of $10,000.00. Also found was $1,416.00 in U.S. currency. In addition to the checks and cash, the search revealed a sheet of paper, measuring about 5 inches by 8 inches, and reflecting several numbers and initials. Also found was a small scrap of paper bearing a number. KAUFMAN also had a wallet on his person which contained two small keys and a number of business type cards. The checks, cash, pieces of paper, keys and five of the business cards were retained by the Agents.

When KAUFMAN was informed that the Agents were not going to return the above mentioned checks to him he said that the cash and the checks were funds which belong to his company and he believed they should be returned to him. He later said that he would not say who owned the checks and cash. He, still later, stated that the cash was his. He also stated, during the search

On 5/25/66 at Baltimore, Maryland File # BA 166-447

SAs [redacted]

by [redacted] :mao Date dictated 5/27/66

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of his person, and after the checks were located, to the general effect that this was all he would need and that Internal Revenue would finish him for sure. He then said that the checks concerned his proposed settlement with the Internal Revenue Service.

SA [redacted] was aware, prior to the arrest of KAUFMAN, that Internal Revenue Service had placed levies against KAUFMAN's assets because KAUFMAN had told SA [redacted] as much on January 8, 1966, when SA [redacted] and other Agents caused a legal search to be made of KAUFMAN's residence and place of business during the course of another investigation.

KAUFMAN was photographed at Federal Bureau of Investigation Headquarters.

KAUFMAN was taken before United States Commissioner ALLEN H. MEZGER, Baltimore, Maryland, where he was arraigned. He was informed by United States Commissioner MEZGER that he was charged with violation of Title 18, Section 1084, United States Code, and that since he was assured of KAUFMAN's identity by the arresting Agents, he would set bond at $5,000.00 cash and that KAUFMAN would be required to either put up the bond forthwith or be held in custody until such time as he did put up the bond.

6/10 0-7 to BA and LA to correct

Mr. KAUFMAN then conferred with [redacted] who came to the hearing with KAUFMAN, and then told the United States Commissioner that [redacted] would return with the cash bond shortly.

When KAUFMAN conferred with [redacted], SA [redacted] observed KAUFMAN give [redacted] a ring of keys, (which was on KAUFMAN's person at the time of arrest, but which was not taken as possible evidence), holding one small key up for [redacted] to see. [redacted] took this ring of keys, holding same by the one key shown to him by KAUFMAN. [redacted] returned in about 35 minutes with $5,000.00 in cash. This money was wrapped in money wrappers, but was not in bundles of specific denominations. Some bundles contained one $100 bill and several $10's and $20's. Others contained $10's, $20's, and $1's. KAUFMAN stated during [redacted] absence that [redacted] had to go by "the office" and to the bank to get the money. KAUFMAN was released upon signing a receipt for the cash bond.

BA 166-447
MMW;JFK;GNS;JCB:mao
3

KAUFMAN was shown an inventory of the material taken from his person. He was requested to sign for the material taken. He refused to sign but acknowledged that checks and money were taken.

BA 166-447
MMW:mao

On May 25, 1966, [redacted] Internal Revenue Service, United States Treasury Department, filed a "Notice of Levy" with this office through SA [redacted] A copy of this notice follows.

b6
b7C

BA 166-447
MMW:mao

The following two pages are copies of front and back of a 5 inch by 8 inch sheet of paper taken from the person of HERBERT KAUFMAN. The meaning of these notations were not explained by KAUFMAN.

b6
b7C

FROM THE DESK OF [redacted] ~~AT~~
WAR [redacted]

Herbert Kaufman [redacted] OF

P ~~7-1-2705~~ RA ~~7~~

HU 43-241 HOME HU 43-241

S.M WE-4-4724 (HO WE 4-8431

CY - LI-25631

SS 865-2302

GS-0-ME-8-2047 [redacted]

E - AS 7-7737 [redacted]

A1 - AT - 9-1208 MR. [illegible] 201 - SC-2-3911

B - [redacted] [redacted]
~~ST - 22-121~~ [redacted]

HY - FE-11625

LE ~~9-2217~~ ~~BD~~ LD [redacted]

~~CA - 243 4330~~
6807

[redacted] 9-8109 (NA)

b6
b7C

20 HA 2

L4 [redacted] PA

[redacted]

[redacted]

Mans watch
for [redacted]
Leather band

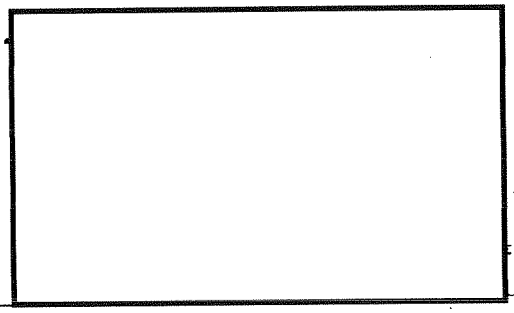
[redacted]

(L1-22-314
pk

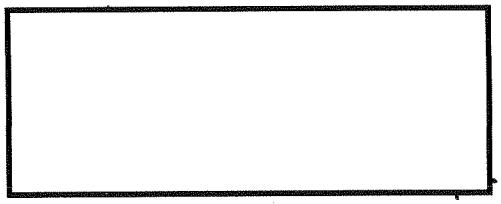
BA 166-447
MMW:mao

The two pages which follow are copies of the front and back of 5 cards taken from the wallet on the person of HERBERT KAUFMAN. The meaning of the cards and notations thereon were not explained by KAUFMAN.

b6
b7C



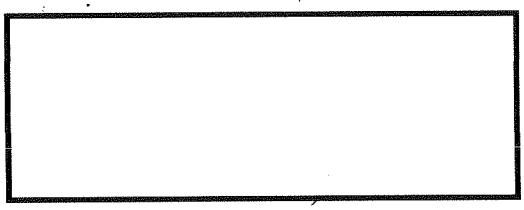
NÈVE



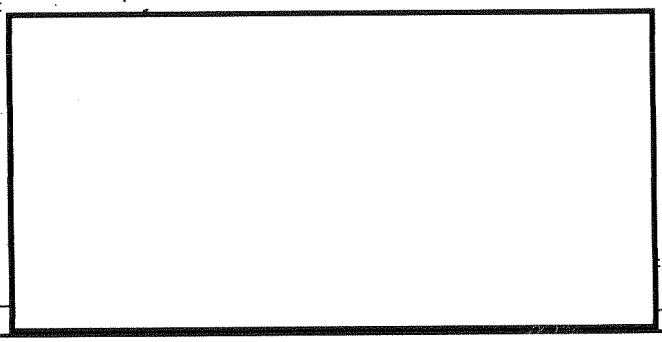
GENÈVE

NATIONAL FOOTBALL LEAGUE
1 ROCKEFELLER PLAZA
NEW YORK

JAMES E. HAMILTON (212) JUDSON 2-5265



GENÈVE



FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
MAY 24 1966

TELETYPE

Mr. Tolson	
Mr. DeLoach	
Mr. Mohr	
Mr. Wick	
Mr. Casper	
Mr. Callahan	
Mr. Conrad	
Mr. Felt	
Mr. Gale	
Mr. Rosen	
Mr. Sullivan	
Mr. Tavel	
Mr. Trotter	
Tele. Room	
Miss Holmes	
Miss Gandy	

X

FBI WASH DC

b6
b7C

FBI NEW ORLS

800 PM CST URGENT 5-24-66 PHJ IP

TO DIRECTOR 166/1765

FROM NEW ORLEANS 168-87

[redacted] ET AL, ITAR - GAMBLING; ITWI; FBW - CONSPIRACY, BUDED MAY TWO THREE SIXTYSIX, OO: LOS ANGELES.

INFORMATION RECEIVED TODAY THAT EUGENE ANTHONY NOLAN, WIFE AND ATTORNEY, [redacted] ARE DEPARTING NEW ORLEANS VIA NATIONAL AIR LINES FOR HOUSTON, TEXAS, AT EIGHT AM., ARRIVING HOUSTON EIGHT FIFTYTWO AM, MAY TWENTYFIVE NEXT.

LA ADVISED SEPERATELY.

HOUSTON BEING ADVISED BY SEPARATE TELE OF DETAILS OF COMPLAINT AND TIME OF ARREST AND PRESS RELEASE SUGGESTED BY BUREAU.

END

WA RCS

FBI WASH DC

THKSP

166-1765-89

REC-107

15 JUN 3 1966

51 JUN 8 1966

cc - Mr Rosen + Mr Gale

5/25/66

PLAIN TEXT

TELETYPE URGENT

b6
b7C

TO ~~SACS~~ ATLANTA
BALTIMORE
CHARLOTTE
DALLAS
LOS ANGELES
MEMPHIS
MIAMI
NEWARK
NEW ORLEANS
NEW YORK

FROM DIRECTOR FBI

[redacted] AKA, ET AL; ITAR - GAMBLING; ITWP;

FBW - CONSPIRACY.

REBUTEL FIVE TWENTY-FOUR WHICH SET FORTH PROPOSED PRESS RELEASE IN INSTANT MATTER. ALL OFFICES ARE ADVISED OF THE FOLLOWING CHANGES TO BE MADE IN PRESS RELEASE:

PARAGRAPH TWO, LAST LINE SHOULD READ QUOTE NORTH CAROLINA, TEXAS AND NEW YORK UNQUOTE. PARAGRAPH THREE DELETE LAST LINE QUOTE IN THE CASE OF GAMBLERS THE INSTRUMENT ALSO PREVENTED THE DETECTION OF INDIVIDUAL CALLS UNQUOTE.

DESCRIPTIVE DATA CONCERNING SUBJECT [redacted] SHOULD READ QUOTE

[redacted]

Tolson
DeLoach
Mohr
Wick
Casper
Callahan
Conrad
Felt
Gale
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

TBC:DGS
(4)

MAIL ROOM ☐ TELETYPE UNIT ☒

TELETYPE UNIT
MAY 25 1966
10:33 AM
ENCODED MESSAGE

4 JUN 2 1966

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
MAY 25 1966
TELETYPE

57 JUN 8 1966

b6
b7C

TELETYPE TO SACS ATLANTA, ET AL

[redacted] IS ALLEGEDLY ONE OF THE MAJOR BOOKMAKERS IN THE UNITED STATES. HE WAS ARRESTED IN NEW YORK CITY UNQUOTE. BUSINESS ADDRESS OF SUBJECT BOYD SHOULD BE QUOTE FOUR ONE FIVE DEADERICK STREET, NASHVILLE UNQUOTE. DESCRIPTIVE DATA CONCERNING SUBJECT [redacted] SHOULD READ QUOTE [redacted] ALSO KNOWN AS [redacted] QUOTE [redacted] UNQUOTE [redacted] IS REPORTEDLY [redacted] AND HAS BEEN ASSOCIATED WITH THE [redacted] THIS NEWS SERVICE PROVIDES LINE INFORMATION FOR PROFESSIONAL AND COLLEGIATE SPORTS CONTESTS INCLUDING BASEBALL, BASKETBALL, FOOTBALL AND HOCKEY UNQUOTE. DESCRIPTIVE DATA CONCERNING SUBJECT [redacted] SHOULD READ QUOTE [redacted] ALSO KNOWN AS [redacted] IS REPORTED TO BE THE [redacted] UNQUOTE. RESIDENCE ADDRESS OF SUBJECT HOFFMAN SHOULD READ QUOTE TWO ONE TWO SOUTH MARIPOSA, BURBANK, CALIFORNIA UNQUOTE. FOLLOWING SUBJECT SALATHIEL INSERT THE AGE

1036 AM

OF FORTY-EIGHT. SALATHIEL'S BUSINESS ADDRESS SHOULD READ QUOTE ONE ZERO ZERO FIVE ARBOR VITA, INGLEWOOD, CALIFORNIA UNQUOTE. LAST LINE OF DESCRIPTIVE DATA CONCERNING SUBJECT [redacted] QUOTE AT THE PRESENT TIME AND WILL BE TAKEN INTO CUSTODY UPON HIS RETURN TO THE UNITED STATES UNQUOTE SHOULD BE DELETED.

b6
b7C

ANY ADDITIONAL CHANGES NECESSITATED AT TIME OF ARREST WILL BE FURNISHED TO OFFICES TELEPHONICALLY PRIOR TO ISSUANCE OF RELEASE.

1036 PM

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

MAY 25 1966

TELETYPE

FBI BALTO

b6
b7C

FBI WASH DC

1036AM URGENT 5-25-66 LRA

TO ATLANTA BALTIMORE CHARLOTTE DALLAS LOS ANGELES MEMPHIS MIAMI NEWARK NEW ORLEANS NEW YORK

FROM DIRECTOR 3P

[redacted] AKA, ET AL; ITAR - GAMBLING;←ITWP;←

FBW - CONSPIRACY.

REBUTEL FIVE TWENTY-FOUR WHICH SET FORTH PROPOSED PRESS RELEASE IN INSTANT MATTER. ALL OFFICES ARE ADVISED OF THE FOLLOWING CHANGES TO BE MADE IN PRESS RELEASE:

PARAGRAPH TWO, LAST LINE SHOULD READ QUOTE NORTH CAROLINA, TEXAS AND NEW YORK UNQUOTE. PARAGRAPH THREE DELETE LAST LINE QUOTE IN THE CASE OF GAMBLERS AND INSTRUMENT ALSO PREVENTED THE DETECTION OF INDIVIDUAL CALLS UNQUOTE. DESCRIPTIVE DATA CONCERNING SUBJECT [redacted] SHOULD READ QUOTE

[redacted]

[redacted]

END PAGE ONE

b6
b7C

[redacted] IS ALLEGEDLY ONE OF THE MAJOR BOOKMAKERS IN THE UNITED STATES. HE WAS ARRESTED IN NEW YORK CITY UNQUOTE. BUSINESS ADDRESS OF SUBJECT BOYD SHOULD BE QUOTE FOUR ONE FIVE DEADERICK STREET, NASHVILLE UNQUOTE. DESCRIPTIVE DATA CONCERNING SUBJECT [redacted] SHOULD READ QUOTE [redacted], ALSO KNOWN AS [redacted] QUOTE [redacted] UNQUOTE [redacted] IS REPORTEDLY [redacted] AND HAS BEEN ASSOCIATED WITH THE [redacted] THIS NEWS SERVICE PROVIDES LINE INFORMATION FOR PROFESSIONAL AND COLLEGIATE SPORTS CONTESTS INCLUDING BASEBALL, BASKETBALL, FOOTBALL AND HOCKEY UNQUOTE. DESCRIPTIVE DATA CONCERNING SUBJECT [redacted] SHOULD READ QUOTE [redacted] ALSO KNOWN AS [redacted] IS REPORTED TO BE THE [redacted] UNQUOTE. RESIDENCE ADDRESS OF SUBJECT HOFFMAN SHOULD READ QUOTE TWO ONE TWO SOUTH MARIPOSA, BURBANK, CALIFORNIA UNQUOTE. FOLLOWING SUBJECT SALATHIEL INSERT THE AGE

OF [redacted] BUSINESS ADDRESS SHOULD READ QUOTE

[redacted] UNQUOTE.

LAST LINE OF DESCRIPTIVE DATA CONCERNING SUBJEC [redacted] QUOTE

AT THE PRESENT TIME AND WILL BE TAKEN INTO CUSTODY UPON HIS RETURN

TO THE UNITED STATES UNQUOTE SHOULD BE DELETED.

ANY ADDITIONAL CHANGES NECESSITATED AT TIME OF ARREST

WILL BE FURNISHED TO OFFICES TELEPHONICALLY PRIOR TO ISSUANCE OF

RELEASE.

END

BA LLF

FBI BALTO

b6
b7C